Financial Statements

Merak Holdings Limited

(Formerly known as TEE International Limited)

(Company Registration No: 200007107D)

and its subsidiaries

For the financial year ended

30 September 2024

MERAK HOLDINGS LIMITED (Formerly known as TEE INTERNATIONAL LIMTED) AND ITS SUBSIDIARIES

DIRECTORS' STATEMENT AND FINANCIAL STATEMENTS

C O N T E N T S

MERAK HOLDINGS LIMITED (Formerly known as TEE INTERNATIONAL LIMTED)
AND ITS SUBSIDIARIES

DIRECTORS' STATEMENT

The directors present their statement together with the audited consolidated financial statements of the Group for the financial year ended 30 September 2024 and statement of financial position of the Company as at 30 September 2024.

The ability of the Group and the Company to continue in operation in the foreseeable future and to meet their financial obligations as and when they fall due is dependent on the matters set out in Note 1(c) to the financial statements.

The directors consider that different possibilities regarding the future exist and that the differing outcomes can cause the financial position as at 30 September 2024, together with the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended 30 September 2024, to be very different from what is currently presented in the financial statements. The directors also consider that there are no practical means available to resolve such difficulties, due to the effect of the differing outcomes, in the preparation of these financial statements. Accordingly, the directors are of the opinion that, notwithstanding these difficulties, the preparation of these financial statements on a going concern basis provides sufficient information to serve the interests of shareholders who may use these financial statements. Further details on the basis of preparation of these financial statements are set out in Note 2 to the financial statements.

In the opinion of the directors:

(a) having regard to and taking into consideration the matters disclosed in the financial statements, in particular Note 1(c) to the financial statements, the consolidated financial statements of the Group and statement of financial position of the Company are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 30 September 2024 and the financial performance, changes in equity and cash flows of the Group for the financial year then ended in accordance with the provisions of the Singapore Companies Act 1967 (the "Act") and Singapore Financial Reporting Standards (International); and

(b) at the date of this statement, subject to the matters referred to in Note 1(c) to the financial statements, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

1 DIRECTORS

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

Mr. Phua Cher Chuan
Mr. Chan Chun Tat, Daryl (Appointed on 6 December 2024)

2 ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE BENEFITS BY MEANS OF THE ACQUISITION OF SHARES AND DEBENTURES

Neither at the end of the financial year nor at any time during the financial year did there subsist any arrangement whose object is to enable the directors of the Company to acquire benefits by means of the acquisition of shares or debentures in the Company or any other body corporate.

3 DIRECTORS' INTERESTS IN SHARES AND DEBENTURES

The directors of the Company holding office at the end of the financial year had no interests in the share capital and debentures of the Company and related corporations as recorded in the register of directors' shareholdings kept by the Company under Section 164 of the Act except as follows:

	Shareholdings registered in name of directors		Shareholdings in which directors are deemed to have interests	
Name of directors and company in which interests are held	At 1.10.2023	At 30.9.2024	At 1.10.2023	At 30.09.2024
The Company		Ordinary shares		
Mr. Phua Cher Chuan	3,864	3,864	-	-

4 SHARE OPTIONS

(a) *Options to take up unissued shares*

During the financial year, no option was granted to take up unissued shares of the Company or any corporation in the Group.

(b) *Options exercised*

During the financial year, there were no shares of the Company or any corporation in the Group issued by virtue of the exercise of options to take up unissued shares.

(c) *Unissued shares under options*

At the end of the financial year, there were no unissued shares of the Company or any corporation in the Group under options.

5 INDEPENDENT AUDITOR

The independent auditor, Foo Kon Tan LLP, Public Accountants and Chartered Accountants, has expressed its willingness to accept re-appointment.

DIRECTORS

....
Mr. Phua Cher Chuan

....
Mr. Chan Chun Tat, Daryl

Dated: 14 July 2025

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
MERAK HOLDINGS LIMITED (Formerly known as TEE INTERNATIONAL LIMITED)

Report on the Audit of the Financial Statements

Disclaimer of Opinion

We were engaged to audit the accompanying financial statements of Merak Holdings Limited (formerly known as TEE International Limited) (the "Company") and its subsidiaries (the "Group"), which comprise the consolidated statement of financial position of the Group and the statement of financial position of the Company as at 30 September 2024, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group for the year then ended, and notes to the financial statements, including material accounting policy information.

We do not express an opinion on the accompanying financial statements. Because of the significance of the matters described in the Basis for Disclaimer of Opinion section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

Basis for Disclaimer of Opinion

A. Opening balances as at 1 October 2023

We expressed a disclaimer of opinion in our independent auditor's report dated 9 January 2024 in respect of the financial statements for the financial year ended 30 September 2023 ("FY2023"). The matters contributing to the modification to our audit report for FY2023 include limitation of scope on opening balances, insufficient information to complete the audit of the consolidated financial statements of the Group, completeness of liabilities, and appropriateness of the going concern assumption.

We are still unable to obtain sufficient appropriate information to determine whether any adjustments might be necessary to the amounts and disclosures shown in FY2023 financial statements, including the closing balances as at 30 September 2023, as well as opening balances as at 1 October 2023.

As the opening balances as at 1 October 2023 form the basis of determining the financial performance, changes in equity and cash flows of the Group for the financial year ended 30 September 2024 ("FY2024"), we are unable to determine whether adjustments are required to FY2024 financial statements.

Our opinion on the FY2024 financial statements is also modified because of the possible effect of the comparability of the FY2024 financial statements and the FY2023 financial statements.

B. Appropriateness of going concern assumption

Note 1(c) to the financial statements and the factors below indicate the existence of material uncertainties which may cast significant doubt about the Group's and the Company's ability to continue as going concerns.

- The Group incurred a net loss of $2,698,000 from continuing operations for FY2024.
- The Group's and the Company's total liabilities exceeded their total assets by $141,216,000 and $153,629,000, respectively, as at 30 September 2024. The Group's and the Company's current liabilities exceeded their current assets by $158,922,000 and $153,645,000, respectively, as at 30 September 2024.
- The Company is undergoing a Scheme of Arrangement with a majority of its creditors, the outcome of which cannot be determined with reasonable certainty pending the completion of the Scheme.

Report on the Audit of the Financial Statements (Cont'd)

Basis for Disclaimer of Opinion (Cont'd)

B. Appropriateness of going concern assumption (cont'd)

The Group's and the Company's ability to continue as going concerns is dependent mainly on the successful implementation of the restructuring plan and successful outcome of the Scheme of Arrangement, the ability to secure financing as and when required, the profitability of future operations, and the continuing support of banks, suppliers, and other parties, and/or an injection of capital or business by a white knight.

Given the multiple uncertainties above, we are not able to determine if the going concern basis of preparation of these financial statements is appropriate. We are also unable to determine the adjustments that may be necessary because of these uncertainties as highlighted above.

Responsibilities of Management and Directors for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Singapore Companies Act 1967 (the "Act") and Singapore Financial Reporting Standards (International) ("SFRS(I)s"), and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our responsibility is to conduct an audit of the consolidated financial statements of the Group and the statement of financial position of the Company in accordance with Singapore Standards on Auditing and to issue an auditor's report. However, because of the matters described in the *Basis for Disclaimer of Opinion* section of our report, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MERAK HOLDINGS LIMITED (Formerly known as TEE INTERNATIONAL LIMITED)

Report on the Audit of the Financial Statements (Cont'd)

Report on Other Legal and Regulatory Requirements

In our opinion, in view of the significance of the matters referred to in the Basis for Disclaimer of Opinion section of our report, we do not express an opinion on whether the accounting and other records required by the Act to be kept by the Company and by those subsidiaries incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

Foo Kon Tan LLP
Public Accountants and
Chartered Accountants

Singapore, 14 July 2025

MERAK HOLDINGS LIMITED (Formerly known as TEE INTERNATIONAL LIMITED) AND ITS SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION
30 September 2024

		Group		Company	
		30 September 2024	30 September 2023	**30 September 2024**	30 September 2023
	Note	**$'000**	$'000	**$'000**	$'000
ASSETS					
Current assets					
Cash and bank balances	6	**97**	4,957	**38**	25
Fixed deposits	7	**2,000**	8,012	**-**	-
Trade receivables	8	**63**	4,888	**-**	-
Other receivables	9	**365**	1,289	**12,741**	8,446
Inventories	10	**-**	48	**-**	-
Contract assets	11	**-**	333	**-**	-
		2,525	19,527	**12,779**	8,471
Non-current assets held for sale	12	**25,572**	-	**-**	-
Total current assets		**28,097**	19,527	**12,779**	8,471
Non-current assets					
Other receivables	9	**136**	147	**-**	-
Investment in associate	13	**-**	5,273	**-**	-
Investment in subsidiaries	14	**-**	-	**-**	-
Intangible asset	15	**-**	-	**-**	-
Property, plant and equipment	16	**19,324**	22,546	**16**	17
Deferred tax assets	17	**-**	396	**-**	-
Total non-current assets		**19,460**	28,362	**16**	17
Total assets		**47,557**	47,889	**12,795**	8,488
LIABILITIES AND EQUITY					
Current liabilities					
Trade payables	18	**92**	1,694	**92**	152
Other payables	19	**63,336**	69,690	**64,609**	61,696
Contract liabilities	20	**-**	1	**-**	-
Provisions	21	**1,280**	1,614	**1,123**	1,108
Current portion of lease liabilities	22	**40**	374	**17**	17
Current portion of long-term borrowings	23	**9,478**	735	**-**	-
Financial guarantee liabilities	24	**100,386**	100,439	**100,386**	100,439
Income tax payable		**195**	584	**197**	343
		174,807	175,131	**166,424**	163,755
Liabilities associated with non-current assets held for sale	12	**12,212**	-	**-**	-
Total current liabilities		**187,019**	175,131	**166,424**	163,755
Non-current liabilities					
Lease liabilities	22	**1,754**	1,854	**-**	-
Long-term borrowings	23	**-**	9,486	**-**	-
Deferred tax liabilities	17	**-**	232	**-**	-
Total non-current liabilities		**1,754**	11,572	**-**	-
Capital, reserves and non-controlling interests					
Share capital	25	**73,194**	73,194	**73,194**	73,194
Treasury shares	26	**(269)**	(269)	**(269)**	(269)
Currency translation reserve	27	**(1,178)**	(907)	**-**	-
Capital reserve	28	**-**	-	**(274)**	(274)
Accumulated losses		**(215,158)**	(211,997)	**(226,280)**	(227,918)
Equity attributable to owners of the Company		**(143,411)**	(139,979)	**(153,629)**	(155,267)
Non-controlling interests		**2,195**	1,165	**-**	-
Net deficit in equity		**(141,216)**	(138,814)	**(153,629)**	(155,267)
Total liabilities and equity		**47,557**	47,889	**12,795**	8,488

See accompanying notes to financial statements.

MERAK HOLDINGS LIMITED (Formerly known as TEE INTERNATIONAL LIMITED) AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME for the year ended 30 September 2024

Group	Note	**Year ended 30 September 2024**	Year ended 30 September 2023 Re-presented
		$'000	$'000
Continuing operations			
Revenue	29	**362**	289
Cost of sales		**(106)**	(105)
Gross profit		**256**	184
Gain on de-recognition of a subsidiary upon loss of control	40	-	5,685
Other operating income	30	**777**	435
Administrative expenses		**(2,667)**	(5,106)
Other operating expenses	31	**(4)**	(3,223)
Finance costs	32	**(1,065)**	(805)
Impairment loss on financial assets written back	35	**36**	-
Loss before tax		**(2,667)**	(2,830)
Income tax (expense)/credit	33	**(31)**	36
Loss for the year from continuing operations		**(2,698)**	(2,794)
Profit for the year from discontinued operations, net of tax	34	**567**	1,088
Loss for the year	35	**(2,131)**	(1,706)
Other comprehensive loss			
Items that may be reclassified subsequently to profit or loss			
Foreign currency translation differences from discontinued operations		**(271)**	(63)
Other comprehensive loss for the year, at nil tax		**(271)**	(63)
Total comprehensive loss for the year		**(2,402)**	(1,769)
(Loss)/profit attributable to:			
Owners of the Company			
Loss from continuing operations, net of tax		**(2,698)**	(2,794)
(Loss)/profit from discontinued operations, net of tax		**(463)**	188
		(3,161)	(2,606)
Non-controlling interests			
Loss from continuing operations, net of tax		-	-
Profit from discontinued operations, net of tax		**1,030**	900
		1,030	900
Loss for the year		**(2,131)**	(1,706)
Total comprehensive (loss)/income attributable to:			
Owners of the Company		**(3,432)**	(2,669)
Non-controlling interests		**1,030**	900
		(2,402)	(1,769)

See accompanying notes to financial statements.

MERAK HOLDINGS LIMITED (Formerly known as TEE INTERNATIONAL LIMITED) AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
Year ended 30 September 2024

	Attributable to equity owners of the Company						
	Share capital $'000	Treasury shares $'000	Currency translation reserve $'000	Accumulated losses $'000	Equity attributable to Owners of the Company $'000	Non-controlling interests $'000	Total $'000
Balance at 1 October 2022	73,194	(269)	(844)	(209,391)	(137,310)	265	(137,045)
Total comprehensive (loss)/income for the year:							
(Loss)/income for the year	-	-	-	(2,606)	(2,606)	900	(1,706)
Foreign currency translation differences from discontinued operations	-	-	(63)	-	(63)	-	(63)
Other comprehensive loss for the year	-	-	(63)	-	(63)	-	(63)
Total comprehensive (loss)/income for the year	-	-	(63)	(2,606)	(2,669)	900	(1,769)
Balance at 30 September 2023	73,194	(269)	(907)	(211,997)	(139,979)	1,165	(138,814)

See accompanying notes to financial statements.

MERAK HOLDINGS LIMITED (Formerly known as TEE INTERNATIONAL LIMITED) AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONT'D)
Year ended 30 September 2024

	Attributable to equity owners of the Company						
	Share capital $'000	Treasury shares $'000	Currency translation reserve $'000	Accumulated losses $'000	Equity attributable to Owners of the Company $'000	Non-controlling interests $'000	Total $'000
Balance at 1 October 2023	**73,194**	**(269)**	**(907)**	**(211,997)**	**(139,979)**	**1,165**	**(138,814)**
Total comprehensive (loss)/income for the year:							
(Loss)/income for the year	-	-	-	(3,161)	(3,161)	1,030	(2,131)
Foreign currency translation differences from discontinued operations	-	-	(271)	-	(271)	-	(271)
Other comprehensive loss for the year	-	-	(271)	-	(271)	-	(271)
Total comprehensive (loss)/income for the year	-	-	(271)	(3,161)	(3,432)	1,030	(2,402)
Balance at 30 September 2024	**73,194**	**(269)**	**(1,178)**	**(215,158)**	**(143,411)**	**2,195**	**(141,216)**

See accompanying notes to financial statements.

MERAK HOLDINGS LIMITED (Formerly known as TEE INTERNATIONAL LIMITED) AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT OF CASH FLOWS
Year ended 30 September 2024

Group	Note	Year ended 30 September 2024 $'000	Year ended 30 September 2023 Re-presented $'000
Operating activities			
Loss before tax from continuing operations		**(2,667)**	(2,830)
Profit before tax from discontinued operations	34	**883**	1,458
Adjustments for:			
Share of results of associate	34	**(266)**	(578)
Provision for restructuring costs	21(ii)	**15**	1,108
Depreciation of property, plant and equipment	35	**2,032**	2,369
Allowance for doubtful trade receivables	35	**58**	274
Allowance for doubtful other receivables	35	**6**	48
Allowance for doubtful trade receivables written back	35	**-**	(171)
Allowance for doubtful other receivables written back	35	**(36)**	-
Amortisation of deferred commission expenses	35	**9**	9
Gain on disposal of property, plant and equipment	30	**(42)**	(55)
Gain on de-recognition of subsidiaries upon loss of control	35	**-**	(5,685)
Loss on disposal of a subsidiary	35	**-**	1,982
Impairment loss on property, plant and equipment	31,35	**-**	225
Reversal of impairment loss on property, plant and equipment	30,35	**(130)**	-
Impairment loss of associate	13,34	**2,534**	-
Due from former subsidiaries written off	31,35	**-**	2,984
Property, plant and equipment written off	31	**-**	5
Financial guarantee liabilities adjustments	35	**(53)**	(514)
Trade receivables written off	31,35	**-**	12
Other receivables written off	31,35	**-**	166
Other payables written back	30	**(550)**	(253)
Guarantee fee	23	**100**	100
Unrealised currency translation loss		**3**	-
Interest income	30	**(245)**	(124)
Finance costs	32	**1,085**	844
Operating cash flows before movements in working capital		**2,736**	1,374
Trade receivables		**(405)**	(504)
Other receivables		**91**	(505)
Inventories		**(7)**	(3)
Contract assets		**95**	1,352
Trade payables		**(47)**	(1,034)
Other payables		**1,021**	290
Contract liabilities		**6**	232
Utilisation of provision for maintenance costs		**-**	(10)
Utilisation of provision for onerous contracts		**-**	(71)
Cash generated from operations		**3,490**	1,121
Income tax paid		**(397)**	(274)
Net cash generated from operating activities		**3,093**	847

See accompanying notes to financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS (CONT'D)
Year ended 30 September 2024

Group	Note	Year ended 30 September 2024	Year ended 30 September 2023 Re-presented
		$'000	$'000
Investing activities			
Withdrawal/(placement) of fixed deposits		**3,500**	(470)
Proceeds on disposal of property, plant and equipment		**240**	123
Purchase of property, plant and equipment	A	**(7,744)**	(905)
Deposit for acquisition of leasehold property		**-**	(100)
Net cash outflow from the disposal of a subsidiary	38	**-**	(1,410)
Expenses paid on behalf of a former subsidiary		**-**	(12)
Repayment of advances by directors of subsidiaries		**-**	13
Repayment of finance lease receivables		**11**	10
Dividend received from associate		**-**	169
Interest received		**201**	121
Net cash used in investing activities		**(3,792)**	(2,461)
Financing activities			
Repayment of long-term borrowings	23	**(743)**	(517)
Increase in fixed deposits pledged	23	**(200)**	(492)
Repayment of principal portion of lease liabilities		**(432)**	(484)
Decrease in amount due from former immediate holding company of a subsidiary	23	**144**	534
Loan from former Subscriber	23	**980**	1,800
Loan from a related party	23	**1,430**	200
Loan from third party	23	**90**	50
Payment to former immediate holding company of a subsidiary	23	**(174)**	-
Interest paid		**(786)**	(568)
Net cash generated from financing activities		**309**	523
Net decrease in cash and cash equivalents		**(390)**	(1,091)
Cash and cash equivalents at beginning of year		**5,969**	7,060
Cash and cash equivalents at end of year	6	**5,579**	5,969

Note A
During the financial year, the Group acquired property, plant and equipment with an aggregate cost of $7,998,000 (2023 - $1,032,000) of which $7,998,000 (2023 - $17,000) was included in disposal group. Additions of $107,000 (2023 - $Nil) related to provision for restoration costs and $147,000 (2023 - $127,000) related to remeasurement under lease arrangements. The cash outflow on acquisition of property, plant and equipment and right-of-use assets amounted to $939,000 and $6,805,000 (2023 - $905,000 and $Nil), respectively.

See accompanying notes to financial statements.

1 GENERAL

(a) The Company (Registration No. 200007107D) is incorporated in Singapore with its principal place of business and registered office at 25 Bukit Batok Street 22, TEE Building, Singapore 659591. The financial statements are expressed in Singapore dollars.

The Company's immediate and ultimate holding company is Tramore Global Limited, a company incorporated in British Virgin Islands.

With effect from 12 November 2024, the name of the Company was changed from TEE International Limited to Merak Holdings Limited.

(b) The principal activities of the Company are investment holding and property investment and development. The principal activities of its associate and subsidiaries are disclosed in Notes 13 and 14, respectively.

(c) As at 30 September 2024, the Group's and the Company's current liabilities exceeded their current assets by $158,922,000 (2023 - $155,604,000) and $153,645,000 (2023 - $155,284,000), respectively. At the Group level, the current liabilities are mainly due to payables to former subsidiaries, loans from shareholder, non-controlling interest and Subscriber, and provision for corporate guarantees issued to counterparties for performance bonds and claims made against certain former subsidiaries. While at the Company level, the net current liabilities are due mainly to payables to certain subsidiaries and former subsidiaries, and provision for corporate guarantees issued to counterparties for performance bonds and claims made against certain former subsidiaries.

Restructuring Exercise

The Company has embarked a restructuring journey since 2021. Updates in the current financial year are provided below.

The previous Scheme of Arrangement was terminated on its long stop date on 31 December 2023, as the Company was unable to fulfil certain restructuring conditions, which is the resumption of trading of its shares on SGX-ST. Following the Company's delisting on 16 February 2024, certain loans have been included in a new scheme of arrangement as part of the overall settlement. The new scheme of arrangement (the "New Scheme") was proposed to its creditors. The New Scheme again received majority creditor approval and the Court sanctioned it at a hearing on 23 September 2024. The New Scheme has a long stop date of 31 December 2025.

1 GENERAL (CONT'D)

Proposed Disposal of G3 Environmental Private Limited ("G3 Environmental")

On 6 August 2024, the Company, through its wholly own subsidiary, TEE Infrastructure Private Limited ("TEE Infrastructure") accepted a binding offer from Re Sustainability Limited to acquire 50.10% of the issued and paid-up share capital in G3 Environmental for a consideration of $11,022,000 via its subsidiary, Re Sustainability International (Singapore) Pte. Ltd (the "G3 Disposal").

Subsequently, on 16 October 2024, the Company entered into a sale and purchase agreement (the "SPA") for the Disposal, and the G3 Disposal was then completed on 13 November 2024. As such, the investment in G3 Environmental was reclassified as non-current assets held for sale in the statement of financial position of the Group.

Proposed divestment in PowerSource Philippines Distributed Power Holdings, Inc. ("Powersource")

As part of the New Scheme, one of the key terms is to dispose of the Group's 21.05% equity interest in Powersource by the long stop date of 31 December 2025 and any net cash proceeds from the disposal to be distributed to the creditors on a pari passu basis. Accordingly, the investment in Powersource was reclassified as non-current assets held for sale in the statement of financial position of the Group.

The financial statements of the Group and the Company have been prepared on a going concern basis, which assumes that the Group and the Company will continue in operation at least for a period of twelve months from the reporting date. This means that the financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts or to the amounts and classification of liabilities that may be necessary if the Group and the Company are unable to continue in operation in the foreseeable future. Should the going concern assumption be inappropriate, adjustments would have to be made to reflect the situation that assets may need to be realised other than in the normal course of business and at amounts which could differ significantly from the amounts at which they are recorded in the statements of financial position.

In addition, the Group and the Company may have to provide for further liabilities that may arise, and to reclassify non-current assets and non-current liabilities as current assets and current liabilities, respectively.

The amount of assets and liabilities currently recorded in the accounting records of the Company and its subsidiaries, including amounts recoverable from or payable to group companies, are based on claims and payables which have arisen in the ordinary course of business. It is currently difficult to assess and estimate, with any degree of certainty, the amounts at which the assets will ultimately be realised or recovered, and the amounts at which liabilities should be recorded, owing to the uncertainties caused by the current difficult operating conditions and the ongoing restructuring of the Group. In respect of the provision for financial guarantee liabilities, the Group and the Company assessed and estimated the potential exposure on liabilities and contingent liabilities and have made adequate provision based on the final adjudicated amounts eligible for voting admitted for the Scheme (Note 24).

1 GENERAL (CONT'D)

The directors have considered that different possibilities regarding the future exist and that the differing outcomes can cause the financial statements as at 30 September 2024 to be very different from what is currently presented in these financial statements. The directors also consider that there are no practical means available to resolve such difficulties in the preparation of these financial statements for the financial year under review. In this respect, the directors are of the opinion that, notwithstanding these difficulties, the preparation of these financial statements on a going concern basis provides sufficient information to serve the interests of all stakeholders who may read these financial statements.

(d) The consolidated financial statements of the Group for the financial year ended 30 September 2024 and statement of financial position of the Company as at 30 September 2024 were authorised for issue by the Board of Directors on the date of the directors' statement.

2 MATERIAL ACCOUNTING POLICY INFORMATION

BASIS OF ACCOUNTING - The financial statements have been prepared in accordance with the historical cost basis except as disclosed in the accounting policies below, and are drawn up in accordance with the provisions of the Singapore Companies Act 1967 and Singapore Financial Reporting Standards (International) ("SFRS(I)s").

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 which market participants would take into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of SFRS(I) 2 *Share-based Payment*, leasing transactions that are within the scope of SFRS(I) 1-16 *Leases*, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in SFRS(I) 1-2 *Inventories* or value in use in SFRS(I) 1-36 *Impairment of Assets*.

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 entity 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.

2 MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

BASIS OF CONSOLIDATION - The consolidated financial statements incorporate the financial statements of the Company and entities 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 Company 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.

When the Company has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power, including:

- The size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- Potential voting rights held by the Company, other vote holders or other parties;
- Rights arising from other contractual arrangements; and
- Any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decision need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company 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 Company gains control until the date when the Company ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

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

Changes in the Group's ownership interests in existing subsidiaries

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

2 MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

BASIS OF CONSOLIDATION (CONT'D)

Changes in the Group's ownership interests in existing subsidiaries (cont'd)

When the Group loses control of a subsidiary, a gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable SFRS(I)s). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under SFRS(I) 9, or when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

In the Company's financial statements, investments in subsidiaries and associates are carried at cost less any impairment in net recoverable value that has been recognised in profit or loss.

BUSINESS COMBINATIONS - Acquisitions of subsidiaries and businesses are accounted for using the acquisition method. The consideration for each acquisition is measured at the aggregate of the acquisition date fair values of assets given, liabilities incurred by the Group to the former owners of the acquiree, and equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are recognised in profit or loss as incurred.

Where applicable, the consideration for the acquisition includes any asset or liability resulting from a contingent consideration arrangement, measured at its acquisition-date fair value. Subsequent changes in such fair values are adjusted against the cost of acquisition where they qualify as measurement year adjustments (see below). The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement year adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or a liability is remeasured at subsequent reporting dates at fair value, with changes in fair value recognised in profit or loss.

Where a business combination is achieved in stages, the Group's previously held interests in the acquired entity are remeasured to fair value at the acquisition date (i.e. the date the Group attains control) and the resulting gain or loss, if any, is recognised in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss, where such treatment would be appropriate if that interest were disposed of.

2 MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

BUSINESS COMBINATIONS (CONT'D)

The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under the SFRS(I) are recognised at their fair value at the acquisition date, except that:

- Deferred tax assets or liabilities and liabilities or assets related to employee benefit arrangements are recognised and measured in accordance with SFRS(I) 1-12 *Income Taxes* and SFRS(I) 1-19 *Employee Benefits* respectively;

- Liabilities or equity instruments related to share-based payment transactions of the acquiree or the replacement of an acquiree's share-based payment awards transactions with share-based payment awards transactions of the acquirer in accordance with the method in SFRS(I) 2 *Share-based Payment* at the acquisition date; and

- Assets (or disposal groups) that are classified as held-for-sale in accordance with SFRS(I) 5 *Non-Current Assets Held-for-sale and Discontinued Operations* are measured in accordance with that Standard.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation may be initially measured either at fair value or at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets. The choice of measurement basis is made on a transaction-by-transaction basis. Other types of non-controlling interests are measured at fair value or, when applicable, on the basis specified in another SFRS(I).

If the initial accounting for a business combination is incomplete by the end of the reporting year in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement year (see below), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the amounts recognised as of that date.

The measurement year is the year from the date of the acquisition to the date the Group obtains complete information about facts and circumstances that existed as of the acquisition date and is subject to a maximum of one year from acquisition date.

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

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) 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 fair value through profit or loss are recognised immediately in profit or loss.

2 MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

FINANCIAL INSTRUMENTS (CONT'D)

Financial Assets

All financial assets are recognised and de-recognised on a trade date basis where the purchase or sale of financial assets is under a contract whose terms require delivery of assets within the time frame established by the market concerned.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification of financial assets

Debt instruments that meet the following conditions are subsequently measured at amortised cost:

- The financial asset is held within a business model whose objective is achieved by collecting 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.

Debt instruments 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.

By default, all other financial assets are subsequently measured at fair value through profit or loss (FVTPL).

Despite the aforegoing, the Group may make the following irrevocable election/designation at 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 if certain criteria are met; and

- The Group may irrevocably designate a debt investment that meets the amortised cost or FVTOCI criteria as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch.

2 MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

FINANCIAL INSTRUMENTS (CONT'D)

Financial Assets (Cont'd)

Amortised cost and effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant year.

For financial instruments other than purchased or originated credit-impaired financial assets, the effective interest rate is the rate that exactly discounts estimated future cash receipts (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) excluding expected credit losses, through the expected life of the debt instrument, or, where appropriate, a shorter year, to the gross carrying amount of the debt instrument on initial recognition. For purchased or originated credit-impaired financial assets, a credit-adjusted effective interest rate is calculated by discounting the estimated future cash flows, including expected credit losses, to the amortised cost of the debt instrument on initial recognition.

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. On the other hand, the gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any loss allowance.

Interest income is recognised using the effective interest method for debt instruments measured subsequently at amortised cost. For financial instruments other than purchased or originated credit-impaired financial assets, 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. 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. If, in subsequent reporting years, 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.

For purchased or originated credit-impaired financial assets, the Group recognises interest income by applying the credit-adjusted effective interest rate to the amortised cost of the financial asset from initial recognition. The calculation does not revert to the gross basis even if the credit risk of the financial asset subsequently improves so that the financial asset is no longer credit-impaired.

Interest income is recognised in profit or loss under "other operating income" (Note 31).

Financial assets at fair value through profit or loss ("FVTPL")

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

2 MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

FINANCIAL INSTRUMENTS (CONT'D)

Financial Assets (Cont'd)

Financial assets at fair value through profit or loss ("FVTPL") (Cont'd)

- Investments in equity instruments are classified as at FVTPL, unless the Group designates an equity investment that is neither held for trading nor a contingent consideration arising from a business combination as at FVTOCI on initial recognition.

- Debt instruments that do not meet the amortised cost criteria or the FVTOCI criteria are classified as at FVTPL. In addition, debt instruments that meet either the amortised cost criteria or the FVTOCI criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases. The Group has not designated any debt instruments as at FVTPL.

Financial assets at FVTPL are measured at fair value as at each reporting date, with any fair value gains or losses recognised in profit or loss to the extent they are not part of a designated hedging relationship. The net gain or loss recognised in profit or loss includes any dividend or interest earned on the financial asset and is included in the "other operating income" or "other operating expenses" line item. Fair value is determined in the manner described in Note 4 to the financial statements.

Equity instruments designated as at FVTOCI

On initial recognition, the Group may make an irrevocable election (on an instrument-by-instrument basis) to designate investments in equity instruments as at FVTOCI. Designation at FVTOCI is not permitted if the equity investment is held for trading or if it is contingent consideration recognised by an acquirer in a business combination to which SFRS(I) 3 applies.

Investments in equity instruments at FVTOCI are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the investments revaluation reserve. The cumulative gain or loss is not be reclassified to profit or loss on disposal of the equity investments, instead, it is transferred to retained earnings.

Dividends from equity instruments are recognised in profit or loss in accordance with SFRS(I) 9, unless the dividends clearly represent a recovery of part of the cost of the investment. Dividend income is included in the "other operating income" line item in profit or loss.

The Group designated all investments in equity instruments that are not held for trading as at FVTOCI on initial recognition.

A financial asset is held for trading if:

- it has been acquired principally for the purpose of selling it in the near term; or

- on initial recognition it is part of a portfolio of identified financial instruments that the group manages together and has evidence of a recent actual pattern of short-term profit-taking; or

2 MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

FINANCIAL INSTRUMENTS (CONT'D)

Financial Assets (Cont'd)

Equity instruments designated as at FVTOCI (Cont'd)

- it is a derivative (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument).

Foreign exchange gains and losses

The carrying amount of financial assets that are denominated in a foreign currency is determined in that foreign currency and translated at the spot rate as at each reporting date. Specifically, for financial assets measured at amortised cost or measured at FVTPL that are not part of a designated hedging relationship, exchange differences are recognised in profit or loss in the "other operating income" or "other operating expenses" line item.

For equity instruments measured at FVTOCI, exchange differences are recognised in other comprehensive income in the currency translation reserve.

Impairment of financial assets

The Group recognises a loss allowance for expected credit losses ("ECL") on investments in debt instruments that are measured at amortised cost, contract assets, as well as on loan commitments and financial guarantee contracts. No impairment loss is recognised for investments in equity instruments. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Group always recognises lifetime ECL for trade receivables, loan receivables and contract assets. The expected credit losses on these financial assets are estimated using a provision matrix 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 as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

For all other financial instruments, the Group recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. If, on the other hand, the credit risk on the financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month 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 instead of on evidence of a financial asset being credit-impaired at the reporting date or an actual default occurring.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

2 MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

FINANCIAL INSTRUMENTS (CONT'D)

Financial Assets (Cont'd)

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, 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:

- Existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- An actual or expected significant deterioration in the operating results of the debtor;
- Significant increases in credit risk on other financial instruments of the same 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 foregoing, 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, (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.

2 MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

FINANCIAL INSTRUMENTS (CONT'D)

Financial Assets (Cont'd)

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).

Irrespective of the above analysis, the Group considers that default has occurred when a financial asset 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:

- Significant financial difficulty of the issuer or the borrower;
- A breach of contract, such as a default or past due event;
- 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;
- It is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
- The disappearance of an active market for that financial asset because of financial difficulties.

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 in profit or loss.

2 MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

FINANCIAL INSTRUMENTS (CONT'D)

Financial Assets (Cont'd)

Measurement and recognition of expected credit losses

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 as described above. As for the exposure at default, for financial assets, this is represented by the assets' gross carrying amount at the reporting date; for loan commitments and financial guarantee contracts, the exposure includes the amount drawn down as at the reporting date, together with any additional amounts expected to be drawn down in the future by default date determined based on historical trend, the Group's understanding of the specific future financing needs of the debtors, and other relevant forward-looking information.

For financial assets and contract 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 original effective interest rate.

For a financial guarantee contract, as the Group is required to make payments only in the event of a default by the debtor in accordance with the terms of the instrument that is guaranteed, the expected loss allowance is the expected payments to reimburse the holder for a credit loss that it incurs less any amounts that the Group expects to receive from the holder, the debtor or any other party.

For undrawn loan commitments, the ECL is the present value of the difference between the contractual cash flows that are due to the Group if the holder of the loan commitment draws down the loan, and the cash flows that the Group expects to receive if the loan is drawn down.

For a lease receivable, the cash flows used for determining the credit losses is consistent with the cash flows used in measuring the lease receivable in accordance with SFRS(I) 16 Leases.

Where lifetime ECL is measured on a collective basis to cater for cases where evidence of significant increases in credit risk at the individual instrument level may not yet be available, the financial instruments are grouped on the following basis:

- Nature of financial instruments (i.e. the Group's trade and other receivables and amounts due from customers are each assessed as a separate group. Loans to related parties are assessed for expected credit losses on an individual basis);
- 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.

2 MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

FINANCIAL INSTRUMENTS (CONT'D)

Financial Assets (Cont'd)

Measurement and recognition of expected credit losses (Cont'd)

If the Group has measured the loss allowance for a financial instrument at an amount equal to lifetime ECL in the previous reporting period, but determines at the current reporting date that the conditions for lifetime ECL are no longer met, the Group measures the loss allowance at an amount equal to 12-month ECL at the current reporting date.

The Group recognises an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account.

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 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 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 the Group after deducting all of its liabilities. Equity instruments issued by the Group entity are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sales, issue or cancellation of the Company's own equity instruments.

Financial liabilities

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

However, financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies, financial guarantee contracts issued by the Group, and commitments issued by the Group to provide a loan at below-market interest rate are measured in accordance with the specific accounting policies set out below.

2 MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

FINANCIAL INSTRUMENTS (CONT'D)

Financial liabilities and equity instruments (Cont'd)

Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is (i) contingent consideration of an acquirer in a business combination to which SFRS(I) 3 applies, (ii) held for trading, or (iii) it is designated as at FVTPL.

A financial liability is classified as held for trading if:

- it has been acquired principally for the purpose of repurchasing it in the near term; or
- on initial recognition it is 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, except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument.

A financial liability other than a financial liability held for trading or contingent consideration of an acquirer in a business combination may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Group's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and SFRS(I) 9 permits the entire combined contract to be designated as at FVTPL.

Financial liabilities at FVTPL are stated at fair value with any gains or losses arising on changes in fair value recognised in profit or loss to the extent that they are not part of a designated hedging relationship. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liabilities and is included in the "other operating income" or "other operating expenses" line item.

However, for financial liabilities that are designated as at FVTPL, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is recognised in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. The remaining amount of change in the fair value of liability is recognised in profit or loss. Changes in fair value attributable to a financial liability's credit risk that are recognised in other comprehensive income are not subsequently reclassified to profit or loss; instead, they are transferred to retained earnings upon derecognition of the financial liability.

Gains or losses on financial guarantee contracts and loan commitments issued by the Group that are designated by the Group as at fair value through profit or loss are recognised in profit or loss. Fair value is determined in the manner described in Note 4 to the financial statements.

2 MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

FINANCIAL INSTRUMENTS (CONT'D)

Financial liabilities and equity instruments (Cont'd)

Financial liabilities subsequently measured at amortised cost

Financial liabilities that are not (i) contingent consideration of an acquirer in a business combination, (ii) held-for-trading, or (iii) designated as at FVTPL, are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant year. The effective interest rate is the rate that exactly discounts estimated future cash 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 liability, or (where appropriate) a shorter year, to the amortised cost of a financial liability.

Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument.

Financial guarantee contracts issued by a Group entity are initially measured at their fair values and, if not designated as at FVTPL and do not arise from a transfer of a financial asset, are subsequently measured at the higher of:

- the amount of the loss allowance determined in accordance with SFRS(I) 9; and
- the amount initially recognised less, where appropriate, cumulative amount of income recognised in accordance with the revenue recognition policies.

Foreign exchange gains and losses

For financial liabilities that are denominated in a foreign currency and are measured at amortised cost as at each reporting date, the foreign exchange gains and losses are determined based on the amortised cost of the instruments. These foreign exchange gains and losses are recognised in the "other operating income" or "other operating expense" line item in profit or loss for financial liabilities that are not part of a designated hedging relationship.

The fair value of financial liabilities denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting year. For financial liabilities that are measured as at FVTPL, the foreign exchange component forms part of the fair value gains or losses and is recognised in profit or loss for financial liabilities that are not part of a designated hedging relationship.

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expire. 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.

2 MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

FINANCIAL INSTRUMENTS (CONT'D)

Offsetting arrangements

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when the Company and 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.

LEASES

(a) The Group as lessee

The Group assesses whether a contract is or contains a lease at inception of the contract. The Group recognises a right-of-use ("ROU") asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of twelve months or less) and leases of low value assets. For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

Lease liabilities

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses the incremental borrowing rate ("IBR") specific to the lessee. The IBR is defined as the rate of interest that the lessee would have to pay to borrow over a similar term and with a similar security the funds necessary to obtain an asset of a similar value to the ROU asset in a similar economic environment.

Lease payments included in the measurement of the lease liability comprise:

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

2 MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

LEASES (CONT'D)

(a) The Group as lessee (Cont'd)

Lease liabilities (Cont'd)

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

For all contracts that contain both lease and non-lease components, the Group has elected to not separate lease and non-lease components and account these as one single lease component.

The lease liabilities are presented as a separate line in the statement of financial position.

The lease liability is subsequently measured at amortised cost, by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Group remeasures the lease liability (with a corresponding adjustment to the related ROU asset or to profit or loss if the carrying amount of the ROU asset has already been reduced to zero) whenever:

(i) the lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate;

(ii) the lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using the initial discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used); or

(iii) a lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

Right-of-use ("ROU") asset

The ROU asset comprises the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Whenever the Group incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under SFRS(I) 1-37. To the extent that the costs relate to a ROU asset, the costs are included in the related ROU asset, unless those costs are incurred to produce inventories.

2 MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

LEASES (CONT'D)

(a) The Group as lessee (Cont'd)

Right-of-use ("ROU") asset (Cont'd)

Depreciation on ROU assets is calculated using the straight-line method to allocate their depreciable amounts over the shorter of period of lease term and useful life of the underlying asset as set out in the accounting policies for "Property, plant and equipment".

If a lease transfers ownership of the underlying asset or the cost of the ROU asset reflects that the Group expects to exercise a purchase option, the related ROU asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The ROU assets (except for those which meets the definition of an investment property) are presented within Property, plant and equipment in the statement of financial position.

A ROU asset which meets the definition of an investment property is presented within "Investment properties" in the statement of financial position.

The Group applies SFRS(I) 1-36 to determine whether a ROU asset is impaired and accounts for any identified impairment loss.

(b) The Group as lessor

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Group considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

The Group recognises lease payments received from investment property under operating leases as income on a straight-line basis over the lease term within "revenue" in profit or loss. Rental income from subleased property is recognised within "other operating income" in profit or loss.

(c) Intermediate lessor in sublease

When the Group is an intermediate lessor, it accounts for its interests in the head lease and the sublease separately. It assesses the lease classification of a sublease with reference to the ROU asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Group applies the recognition exemption, then it classifies the sublease as an operating lease.

When the sublease is assessed as a finance lease, the Group derecognises the ROU asset relating to the head lease that it transfers to the sublessee and recognises the net investment in the sublease within "finance lease receivables" in the statement of financial position. Any differences between the ROU asset derecognised and the net investment in sublease is recognised in profit or loss. Lease liability relating to the head lease is retained in the statement of financial position, which represents the lease payments owed to the head lessor.

2 MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

NON-CURRENT ASSETS (OR DISPOSAL GROUPS) HELD-FOR-SALE AND DISCONTINUED OPERATIONS - Non-current assets and disposal groups are classified as held-for-sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset (or disposal group) is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

When the Group is committed to a sale plan involving loss of control of a subsidiary, all of the assets and liabilities of that subsidiary are classified as held-for-sale when the criteria described above are met, regardless of whether the Group will retain a non-controlling interest in its former subsidiary after the sale.

Non-current assets (and disposal groups) classified as held-for-sale are measured at the lower of their previous carrying amount and fair value less costs to sell.

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

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

INVENTORIES - Inventories are stated at the lower of cost and net realisable value. Cost comprises purchase cost and other incidental cost in bringing the inventories to their present location and condition. Cost is calculated using the first-in-first-out method. Net realisable value represents the estimated selling price less costs to be incurred in marketing, selling and distribution.

INTANGIBLE ASSETS - Intangible assets acquired in a business combination are identified and recognised separately from goodwill. The cost of such intangible assets is their fair value at the acquisition date.

Subsequent to initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated amortisation and any accumulated impairment losses.

PROPERTY, PLANT AND EQUIPMENT - Property, plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses.

The cost of an item of property, plant and equipment initially recognised includes its purchase price and any cost that is directly attributable to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Cost also includes borrowing costs and any fair value gains or losses on qualifying cash flow hedges of property, plant and equipment that are transferred from the hedging reserve.

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

2 MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Depreciation is charged so as to write off the cost of assets (excluding freehold land) over their estimated useful lives, using the straight-line method, on the following bases:

Leasehold land and building	- 2.7%
Leased premises	- over remaining year of lease
Computers	- 25% to 100%
Renovation	- 20% to over remaining year of lease for restoration cost
Motor vehicles	- 10% to 100%
Machinery and tools	- 15% to 100%
Office furniture and equipment	- 15% to 20%

The estimated useful lives, residual values and depreciation method are reviewed at each year end, with the effect of any changes in estimate accounted for on a prospective basis.

Leased assets are depreciated over their expected useful lives on the same basis as owned assets or, if there is no certainty that the lessee will obtain ownership by the end of the lease term, the asset shall be fully depreciated over the shorter of the lease term and its useful life.

The gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amounts of the asset and is recognised in profit or loss.

Fully depreciated assets still in use are retained in the financial statements.

IMPAIRMENT OF TANGIBLE AND INTANGIBLE ASSETS - At the end of each reporting period, the Group reviews the carrying amounts of its tangible and intangible 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). Where 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. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

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 for which the estimates of future cash flows have not been adjusted.

2 MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

IMPAIRMENT OF TANGIBLE AND INTANGIBLE ASSETS (CONT'D)

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) 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 (cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

Intangible assets with indefinite useful lives are tested for impairment annually, and whenever there is an indication that the asset may be impaired.

ASSOCIATES - An associate is an entity over which the Group has significant influence and that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

The results and assets and liabilities of associates are incorporated in these consolidated financial statements using the equity method of accounting, except when the investment, or a portion thereof, is classified as held-for-sale, in which case it is accounted for in accordance with SFRS(I) 5. Under the equity method, an investment in an associate 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 associate. When the Group's share of losses of an associate exceeds the Group's interest in that associate (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate), 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 associate.

An investment in an associate is accounted for using the equity method from the date on which the investee becomes an associate. On acquisition of the investment in an associate, 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 year in which the investment is acquired.

The requirements of SFRS(I) 1-36 are applied to determine whether it is necessary to recognise any impairment loss with respect to the Group's investment in an associate. When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with SFRS(I) 1-36 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 forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with SFRS(I) 1-36 to the extent that the recoverable amount of the investment subsequently increases.

2 MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

ASSOCIATES (CONT'D)

The Group discontinues the use of the equity method from the date when the investment ceases to be an associate, or when the investment is classified as held-for-sale. When the Group retains an interest in the former associate and the retained interest is a financial asset, 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 in accordance with SFRS(I) 9. The difference between the carrying amount of the associate at the date the equity method was discontinued, and the fair value of any retained interest and any proceeds from disposing of a part interest in the associate is included in the determination of the gain or loss on disposal of the associate. In addition, the Group accounts for all amounts previously recognised in other comprehensive income in relation to that associate on the same basis as would be required if that associate had directly disposed of the related assets or liabilities. Therefore, if a gain or loss previously recognised in other comprehensive income by that associate 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) when the equity method is discontinued.

The Group continues to use the equity method when an investment in an associate becomes an investment in a joint venture or an investment in a joint venture becomes an investment in an associate. There is no remeasurement to fair value upon such changes in ownership interests.

When the Group reduces its ownership interest in an associate but the Group continues to use the equity method, the Group reclassifies to profit or loss the proportion of the gain or loss that had previously been recognised in other comprehensive income relating to that reduction in ownership interest if that gain or loss would be reclassified to profit or loss on the disposal of the related assets or liabilities.

Where a group entity transacts with an associate of the Group, profits and losses resulting from the transactions with the associate are recognised in the Group's consolidated financial statements only to the extent of interests in the associate that are not related to the Group.

RELATED PARTIES - A related party is defined as follows:

(a) A person or a close member of that person's family is related to the Group and Company if that person:

   (i) has control or joint control over the Company;
   (ii) has significant influence over the Company; or
   (iii) is a member of the key management personnel of the Group and Company or of a parent of the Company.

(b) An entity is related to the Group and the Company if any of the following conditions applies:

   (i) The entity and the Company are members of the same group (which means that each parent, subsidiary and fellow subsidiary 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) Both entities are joint ventures of the same third party.

2 MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

RELATED PARTIES (CONT'D)

(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 the employees of either the Company or an entity related to the Company. If the Company is itself such a plan, the sponsoring employers are also related to the Company.
(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 part, provides key management personnel services to the Company or the parent of the Company.

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 the reporting year, 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.

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

The benefit of a government loan at a below-market rate of interest is treated as a government grant, measured as the difference between proceeds received and the fair value of the loan based on prevailing market interest rates. 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 statement of financial position and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

Other government grants are recognised as income over the years necessary to match them with the costs for which they are intended to compensate, on a systematic basis. Government grants 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 year in which they become receivable.

REVENUE RECOGNITION – The Group recognises revenue from the following major sources:

- Construction engineering contracts (from discontinued operation)
- Sale of goods
- Revenue from services rendered
- Interest income
- Dividend income
- Rental and related service income from leasehold properties

2 MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

REVENUE RECOGNITION (CONT'D)

Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. The Group recognises revenue when it transfers control of a product or service to a customer.

Construction engineering contracts (from discontinued operation)

The Group undertook large-scale and complex engineering projects as well as infrastructure-related projects. The Group provided engineering services including, electrical, air conditioning and mechanical ventilation, fire protection, sub structure, civil and architecture and interior decoration. These projects can range from short term of a few months to long term of a few years.

Such contracts are entered into before provision of the engineering services begins. Under the terms of the contracts, the Group is contractually restricted from redirecting the services to another customer and has an enforceable right to payment for work done.

Revenue from construction engineering contracts is therefore recognised over time on a cost-to-cost method. i.e. based on the proportion of contract costs incurred for work performed to date relative to the estimated total contract costs. Management considers that this input method is an appropriate measure of the progress towards complete satisfaction of these performance obligations under SFRS(I) 15.

Short-term construction engineering services, as represented by the contract value of the services to be rendered, are recognised at a point in time when performance obligations have been satisfied.

A contract asset is recognised for the cumulative revenue recognised but not yet invoiced whilst a contract liability is recognised for advance payments from customers which the Group needs to perform work to satisfy the performance obligations.

Sale of goods

Revenue is recognised when control of the goods has been transferred, being when the goods have been shipped to the customer's specific location (delivery). A receivable is recognised by the Group when the goods are delivered to the customer as this represents the point in time at which the right to consideration becomes unconditional, as only the passage of time is required before payment is due.

Rendering of services

The Group provides waste and recycling management services. Such services are recognised as a performance obligation satisfied over time, when control of services are transferred to customers. This generally occurs when the waste is collected and processed.

Consultancy income

Consultancy income is recognised on a straight-line basis over the term of the contract.

Interest income

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

2 MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

REVENUE RECOGNITION (CONT'D)

Dividend income

Dividend income from investments is recognised when the shareholders' rights to receive payment have been established.

Rental and related service income from leasehold properties

The Group leased out its leasehold properties under operating lease and recognised rental income proportionately over the lease term. The aggregate costs of incentives provided to lessees are recognised as a reduction of rental income over the lease term on a straight-line basis. Rental payments received in advance are recorded as unearned income and amortised proportionately over the lease term using the straight-line method.

Rental related service income is recognised as a performance obligation satisfied over time, when the relevant services are provided over the lease year.

BORROWING COSTS - Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial year of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets is substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

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

RETIREMENT BENEFIT OBLIGATIONS - Payments to defined contribution retirement benefit plans are charged as an expense when employees have rendered the services entitling them to the contributions. Payments made to state-managed retirement benefit schemes, such as the Singapore Central Provident Fund, are dealt with as payments to defined contribution plans where the Group's obligations under the plans are equivalent to those arising in a defined contribution retirement benefit plan.

EMPLOYEE LEAVE ENTITLEMENT - Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the end of the reporting year.

SHARE-BASED PAYMENTS - Equity-settled share-based payments are measured at fair value of the equity instruments at the date of grant. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of the number of equity instruments that will eventually vest. As at each reporting date, the Group revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the equity-settled share option reserve.

When the options are exercised, the proceeds received (net of transaction costs) and the related balance previously recognised in the share option reserve are credited to the share capital account, when new ordinary shares are issued, or to the "treasury shares" account, when treasury shares are re-issued to the employees.

2 MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

SHARE-BASED PAYMENTS (CONT'D)

Equity-settled share-based payment transactions with parties other than employees are measured at the fair value of the goods or services received, except where that fair value cannot be estimated reliably, in which case they are measured at the fair value of the equity instruments granted, measured at the date the Group obtains the goods or the counterparty renders the service.

For cash-settled share-based payments, a liability is recognised for the goods or services acquired, measured initially at the fair value of the liability. As at each reporting date until the liability is settled, and at the date of settlement, the fair value of the liability is remeasured, with any changes in fair value recognised in profit or loss for the year.

INCOME TAX - Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit 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 not taxable or tax deductible. The Group's liability for current tax is calculated using tax rates (and tax laws) that have been enacted or substantively enacted in countries where the Company and its subsidiaries operate by the end of the reporting period.

Deferred tax is recognised on the differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or 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.

Deferred tax assets and liabilities are recognised on transactions that, on initial recognition, give rise to equal amounts of deductible and taxable temporary differences, arising from leases and decommissioning liabilities.

Deferred tax liabilities are recognised on taxable temporary differences arising on investments in subsidiaries and interest in associates, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary difference associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences as they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting year 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.

2 MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

INCOME TAX (CONT'D)

Deferred tax is calculated at the tax rates that are expected to apply in the year when the liability is settled or the asset realised based on the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting year. 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 the reporting year, to recover or settle the carrying amount of its assets and liabilities.

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 by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Current and deferred tax are recognised as an expense or income in profit or loss, except when they relate to items credited or debited outside profit or loss (either in other comprehensive income or directly in equity), in which case the tax is also recognised outside profit or loss (either in other comprehensive income or directly in equity respectively), or where they arise from the initial accounting for a business combination. In the case of a business combination, the tax effect is taken into account in calculating goodwill or determining the excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over cost.

FOREIGN CURRENCY TRANSACTIONS AND TRANSLATION - The individual financial statements of each group entity are measured and presented in the currency of the primary economic environment in which the entity operates (its functional currency). The consolidated financial statements of the Group and the statement of financial position of the Company are presented in Singapore dollars, which is the functional currency of the Company.

In preparing the financial statements of the individual entities, transactions in currencies other than the entity's functional currency are recorded at the rates of exchange prevailing on the date of the transaction. At the end of each reporting year, monetary items denominated in foreign currencies are retranslated at the rates prevailing at the end of each reporting year. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. 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 retranslation of monetary items are included in profit or loss for the year. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in profit or loss for the year except for differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognised directly in other comprehensive income. For such non-monetary items, any exchange component of that gain or loss is also recognised directly in other comprehensive income.

Exchange differences on foreign currency borrowings relating to assets under construction for future productive use, are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings.

2 MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

FOREIGN CURRENCY TRANSACTIONS AND TRANSLATION (CONT'D)

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations (including comparatives) are expressed in Singapore dollars using exchange rates prevailing at the end of the reporting year. Income and expense items (including comparatives) are translated at the average exchange rates for the year, unless exchange rates fluctuated significantly during that year, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in a separate component in equity under the header of currency translation reserve.

On the disposal of a foreign operation (i.e. a disposal of the Group's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation, or loss of significant influence over an associate that includes a foreign operation), all of the accumulated exchange differences in respect of that operation attributable to the Group are reclassified to profit or loss. Any exchange differences that have previously been attributed to non-controlling interests are derecognised, but they are not reclassified to profit or loss.

In the case of a partial disposal (i.e. no loss of control) of a subsidiary that includes a foreign operation, the proportionate share of accumulated exchange differences are re-attributed to non-controlling interests and are not recognised in profit or loss. For all other partial disposals (i.e. of associates or jointly controlled entities that do not result in the Group losing significant influence or joint control), the proportionate share of the accumulated exchange differences is reclassified to profit or loss.

On consolidation, exchange differences arising from the translation of the net investment in foreign entities (including monetary items that, in substance, form part of the net investment in foreign entities) and of borrowings are recognised in other comprehensive income and accumulated in a separate component of equity under the header of currency translation reserve.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

CASH AND CASH EQUIVALENTS IN THE CONSOLIDATED STATEMENT OF CASH FLOWS - Cash and cash equivalents in the consolidated statement of cash flows comprise cash on hand and cash at banks that form an integral part of cash management, and are subject to an insignificant risk of changes in value.

3 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in Note 2 to the financial statements, management 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 associated 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 on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that year, or in the year of the revision and future years if the revision affects both current and future years.

(a) Critical judgements in applying the entity's accounting policies

The following are the critical judgements, apart from those involving estimation (see below), that management has made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

(i) Going concern assumption

The Group incurred a net loss from continuing operations of $2,698,000 (2023 Re-presented - $2,794,000) for the financial year, and as at 30 September 2024, the Group's and the Company's total liabilities exceeded their total assets by $141,216,000 (2023 - $138,814,000) and $153,629,000 (2023 - $155,267,000), respectively; and the Group's and the Company's current liabilities exceeded their current assets by $158,922,000 (2023 - $155,604,000) and $153,645,000 (2023 - $155,284,000), respectively. At the Group level, the current liabilities are mainly due to payables to former subsidiaries, loans from shareholder, non-controlling interest and Subscriber, and provision for corporate guarantees issued to counterparties for performance bonds and claims made against certain former subsidiaries. While at the Company level, the net current liabilities are due mainly to payables to certain subsidiaries and former subsidiaries, and provision for corporate guarantees issued to counterparties for performance bonds and claims made against certain former subsidiaries. These factors give rise to material uncertainties on the ability of the Group and the Company to continue as going concerns.

As disclosed in Note 1(c) to the financial statements, the New Scheme has received the requisite majority creditor approval and court sanction. Additionally, the shareholder has demonstrated continued support through the provision of shareholder loans to help to fund operating and restructuring costs.

3 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONT'D)

(a) Critical judgements in applying the entity's accounting policies (Cont'd)

(i) Going concern assumption (Cont'd)

Based on the aforementioned, the directors are of the view that it is appropriate to prepare these financial statements on a going concern basis after considering the Group's proposed funds raising and debt restructuring plans. As the completion of the proposed restructuring exercise is still in progress, the final outcome is uncertain and accordingly, the actual impact, whether financial or non-financial, is not easily determinable as at the date of these financial statements. It should therefore be noted that the going concern assumption is premised upon, inter alia, (i) the successful completion of the New Scheme, (ii) the continuing availability of the existing facilities and financing to the Group for the next twelve months and (iii) the sufficiency of cash flows generated from the Group's operating activities.

In the event that the Group and the Company are unable to continue in operational existence for the foreseeable future, the Group and the Company may be unable to discharge its liabilities in the normal course of business and adjustments may have to be made to reflect the situation that assets may need to be realised other than in the normal course of business and at amounts which could differ significantly from the amounts at which they are currently recorded in the statement of financial position. In addition, the Group and the Company may have to provide for further liabilities which may arise, and to reclassify non-current assets as current assets and non-current liabilities as current liabilities. No such adjustments have been made to the financial statements.

(ii) Determination of lease terms

When estimating the lease term of the respective lease arrangement, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not to exercise a termination option, including any expected changes in facts and circumstances from the commencement date until the exercise date of the option. Extension options (or years after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

(iii) Associate

As part of the Company's New Scheme, one of the key terms of the Scheme is to dispose of the Group's 21.05% equity interest in associate, Powersource by the long stop date of 31 December 2025 and any net cash proceeds from the disposal to be distributed to the Scheme creditors on a pari passu basis.

Management assessed based on SFRS(I) 5 to determine whether the investment in Powersource met the criteria for classification as a non-current asset held for sale as at the reporting date. Although the Scheme allows disposal until end-2025, management assessed that the disposal is highly probable within 12 months from the balance sheet date based on the following:

- The investment in Powersource is available for immediate sale in its present condition.

3 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONT'D)

(a) Critical judgements in applying the entity's accounting policies (Cont'd)

(iii) Associate (Cont'd)

- A formal plan to locate a buyer and actively market the investment has been initiated in accordance with the Scheme.
- Management is committed to the plan and expects to complete the transaction within the near term, despite the long stop date.

Accordingly, management concluded that the criteria of SFRS(I) 5 were met, and the investment was reclassified as a non-current asset held for sale. Upon reclassification, equity accounting ceased, and the investment was measured at the lower of its carrying amount and fair value less costs to sell.

Further, management exercised judgement in determining whether the associate qualifies as a discontinued operation under SFRS(I) 5. The investment in Powersource represents a separately identifiable and significant component of the Group's operations and is part of a single coordinated plan for disposal. As such, the results relating to Powersource have been presented separately in the statement of profit or loss and other comprehensive income as "Discontinued Operation".

(b) Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting year, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next year, are discussed below:

(i) Calculation of loss allowances

When measuring ECL, the Group uses reasonable and supportable forward-looking information, which is based on assumptions for the future movement of different economic drivers and how these drivers will affect each other.

Loss given default is an estimate of the loss arising from default. It is based on the difference between the contractual cash flows due and those that the Group would expect to receive.

Probability of default constitutes a key input in measuring ECL. Probability of default is an estimate of the likelihood of default over a given time horizon, the calculation of which includes reference to historical data, assumptions and expectations of future conditions.

The carrying amounts of the Group's and the Company's trade and other receivables are disclosed in Note 8 and Note 9, respectively, to the financial statements.

3 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONT'D)

(b) Key sources of estimation uncertainty (cont'd)

(ii) Impairment of investment in associate and subsidiaries, and property, plant and equipment

Management exercises their judgement in estimating recoverable amounts of its investment in associate of the Group and subsidiaries of the Company, and the Group's property, plant and equipment.

The recoverable amounts of these assets are reviewed at the end of each reporting year to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount is estimated in order to determine the extent of the impairment loss (if any). Recoverable amount is the higher of fair value less cost of disposal and value in use. In assessing value in use, management needs to estimate the future cash flows expected from the cash-generating units and an appropriate discount rate in order to calculate the present value of the future cash flows.

The carrying amounts of the Group's investment in associate and the Company's investment in subsidiaries are disclosed in Note 13 and Note 14, respectively, and the Group's property, plant and equipment in Note 16 to the financial statements.

(iii) Estimation of incremental borrowing rate

The Group and the Company cannot readily determine the interest rate implicit in the lease. Therefore, it uses the IBR to measure lease liabilities. The IBR is defined as the rate of the interest that the lessee would have to pay to borrow over a similar security the funds necessary to obtain an asset of a similar value to the ROU asset in a similar economic environment.

The Group and the Company estimate the IBR relevant to each lease by using observable inputs such as market interest rate and asset yield where available, and then making certain lessee specific adjustments such as Group entity's credit rating.

The carrying amount of the Group's and the Company's lease liabilities and ROU assets are disclosed in Note 22 and Note 36, respectively, to the financial statements. If the incremental borrowing rate had been 50 basis point higher/lower with all other variables held constant, the Group's ROU assets and lease liabilities would have been approximately lower/higher by $107,000 (2023 - $113,000) and $104,000 (2023 - $112,000), respectively.

(iv) Estimation of provisions made on various claims

In conjunction with the proposed restructuring exercise as disclosed in Note 1(c) to the financial statements, the Group and the Company continue to assess the adequacy of the various provision for liabilities made from the claims received.

The carrying amount and details of the Group's and the Company's various provisions and financial guarantee liabilities are disclosed in Note 21 and Note 24, respectively, to the financial statements.

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT

(a) Categories of financial instruments

The following table sets out the financial instruments as at the end of the reporting year:

	Group		Company	
	2024	2023	**2024**	2023
	$'000	$'000	**$'000**	$'000
Financial assets				
Amortised cost	**2,544**	18,975	**12,764**	8,447
Financial liabilities				
Amortised cost	**74,608**	83,438	**64,626**	61,713
Financial guarantee liabilities at amortised cost	**100,386**	100,439	**100,386**	100,439

Financial assets at amortised cost consist of cash and bank balances, fixed deposits, trade receivables, other receivables excluding prepayments, deferred commission expenses, accrued rental income and GST receivable.

Financial liabilities at amortised cost consist of trade payables excluding GST payables, other payables, lease liabilities and borrowings.

(b) Financial instruments subject to offsetting, enforceable master netting arrangements and similar agreements

There are no financial instruments subject to offsetting, enforceable master netting arrangements and similar agreements at 30 September 2024 and 30 September 2023.

(c) Financial risk management policies and objectives

The Group's activities expose it to a variety of financial risks, such as market risk (including foreign exchange risk and interest rate risk), credit risk, liquidity risk, cash flow interest rate risk and fair value risk.

The Group does not hold or issue derivative financial instruments for speculative purposes.

There has been no change to the Group's exposure to these financial risks or the manner in which it manages and measures the risk. Market risk exposures are measured using sensitivity analysis indicated below.

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (CONT'D)

(c) Financial risk management policies and objectives (Cont'd)

Foreign exchange risk management

Foreign exchange risk refers to the risk exposed by the Group as a result of fluctuations in foreign exchange rates. The Group's transactions are mainly in Singapore dollars, which is its functional currency.

The Group has investment in associate whose net assets are exposed to currency translation risk. The Group did not designate its foreign currency denominated debt as a hedging instrument for the purpose of hedging the translation of its foreign operations.

At the end of the reporting year, the carrying amounts of monetary assets and monetary liabilities denominated in currencies other than the respective Group entities' functional currencies are as follows:

	Liabilities		Assets	
	2024	2023	**2024**	2023
	$'000	$'000	**$'000**	$'000
Group				
Thai Baht	**55**	52	**-**	-

Foreign currency sensitivity

The following table details the sensitivity to a 10% increase and decrease in the relevant foreign currencies against the functional currency of each group entity. 10% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the year end for a 10% change in foreign currency rates. The sensitivity analysis includes external loans where they gave rise to an impact on the Group's profit or loss.

If the relevant foreign currency weakens by 10% against the functional currency of each group entity, loss for the year will decrease by:

	Thai Baht impact	
	2024	2023
	$'000	$'000
Profit or loss	**5**	5

If the relevant foreign currency strengthens by 10% against the functional currency of each group entity, the effect on profit or loss will be vice-versa.

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (CONT'D)

(c) Financial risk management policies and objectives (Cont'd)

Interest rate risk management

The Group has exposure to interest rate risk through the impact of floating interest rate on cash and bank balances and borrowings. The Group obtained financing through bank loans and overdrafts, finance leases and long-term borrowings. Details of the Group's interest rate exposure is disclosed in the respective notes to the financial statements.

Interest rate sensitivity

The sensitivity analysis below has been determined based on the exposure to interest rates for non-derivative instruments at the end of the reporting period and the stipulated change taking place at the beginning of the year and held constant throughout the reporting year in the case of instruments that have floating rates. A 50-basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the possible change in interest rates.

If interest rates had been 50 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 $47,000 (2023 - $51,000). This is mainly attributable to the Group's exposure to interest rates on its variable rate borrowings.

Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. As at 30 September 2024, the Group's maximum exposure to credit risk without taking into account any collateral held or other credit enhancements, which will cause a financial loss to the Group due to failure to discharge an obligation by the counterparties and financial guarantees provided by the Group arises from:

- the carrying amount of the respective recognised financial assets as stated in the consolidated statement of financial position; and
- the maximum amount the Group would have to pay if the financial guarantee is called upon, irrespective of the likelihood of the guarantee being exercised as disclosed below. The related loss allowance is disclosed in the respective notes to the financial statements.

In order to minimise credit risk, the Group had tasked its credit management committee to develop and maintain the Group's credit risk gradings to categorise exposures according to their degree of risk of default. The credit rating information is supplied by independent rating agencies where available and, if not available, the credit management committee uses other publicly available financial information and the Group's own trading records to rate its major customers and other debtors. The Group's exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties.

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (CONT'D)

(c) Financial risk management policies and objectives (Cont'd)

Credit risk management (cont'd)

The Group's current credit risk grading framework comprises the following categories:

Category	**Description**	**Basis for recognising expected credit losses (ECL)**
Performing	The counterparty has a low risk of default and does not have any past-due amounts.	12-month ECL
Doubtful	Amount is > 30 days past due or there has been a significant increase in credit risk since initial recognition.	Lifetime ECL - not credit impaired
In default	Amount is > 90 days past due or there is evidence indicating the asset is credit-impaired.	Lifetime ECL - credit impaired
Write-off	There is evidence indicating that the debtor is in severe financial difficulty and the company has no realistic prospect of recovery.	Amount is written off

The tables below detail the credit quality of the Group's financial assets and other items, as well as maximum exposure to credit risk by credit risk rating grades:

Group	**Note**	**Internal credit rating**	**12-month or lifetime ECL**	**Gross carrying amount**	**Loss allowance**	**Net carrying amount**
				$'000	**$'000**	**$'000**
30 September 2024						
Trade receivables	8	(i)	Lifetime ECL (simplified approach)	**63**	**-**	**63**
Other receivables	9	Performing	12-month ECL	**384**	**-**	**384**
Other receivables	9	In default	Lifetime ECL	**103**	**(103)**	**-**
30 September 2023						
Trade receivables	8	(i)	Lifetime ECL (simplified approach)	5,153	(280)	4,873
Other receivables	9	Performing	12-month ECL	1,133	-	1,133
Other receivables	9	In default	Lifetime ECL	260	(260)	-
Contract assets	11	(i)	Lifetime ECL (simplified approach)	333	-	333

Company	**Note**	**Internal credit rating**	**12-month or lifetime ECL**	**Gross carrying amount**	**Loss allowance**	**Net carrying amount**
				$'000	**$'000**	**$'000**
30 September 2024						
Other receivables	9	Performing	12-month ECL	**12,726**	**-**	**12,726**
Other receivables	9	In default	Lifetime ECL	**16,575**	**(16,575)**	**-**
30 September 2023						
Other receivables	9	Performing	12-month ECL	8,422	-	8,422
Other receivables	9	In default	Lifetime ECL	19,141	(19,141)	-

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (CONT'D)

(c) Financial risk management policies and objectives (Cont'd)

Credit risk management (Cont'd)

(i) For trade receivables and contract assets, the Group has applied the simplified approach in SFRS(I) 9 to measure the loss allowance at lifetime ECL. The Group determines the ECL on these items by using a provision matrix, estimated based on historical credit loss experience based on the past due status of the debtors, adjusted as appropriate to reflect current conditions and estimates of future economic conditions. Accordingly, the credit risk profile of these assets is presented based on their past due status in terms of the provision matrix. Further details on the loss allowance for these assets are disclosed in respective notes to the financial statements.

In order to minimise credit risk, the Group has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. The Group only transacts with entities that are rated the equivalent of investment grade and above and investments in these instruments, where the counterparties have minimum BBB- credit rating, are considered to have low credit risk for the purpose of impairment assessment. The credit rating information is supplied by independent rating agencies where available and, if not available, the Group uses other publicly available financial information and its own trading records to rate its major customers and other debtors. The Group's exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties.

Before accepting any new customer, a dedicated team responsible for the determination of credit limits uses an external credit scoring system to assess the potential customer's credit quality and defines credit limits by customer. The review of customer credit limit is conducted annually.

Credit approvals and other monitoring procedures are also in place to ensure that follow-up action is taken to recover overdue debts. Furthermore, the Group reviews the recoverable amount of each trade debt and debt investment on an individual basis at the end of the reporting year to ensure that adequate loss allowance is made for irrecoverable amounts. In this regard, management considers that the Group's credit risk is significantly reduced.

Trade receivables consist of a large number of customers, spread across diverse industries and geographical areas. Ongoing credit evaluation is performed on the financial condition of accounts receivable.

The Group's credit risk is primarily attributable to its cash and bank balances, trade and other receivables and contract assets. The maximum exposure to credit risk for each class of financial asset is the carrying amount of that class of financial asset as shown on the statement of financial position.

In addition, the Group and the Company are exposed to credit risk in relation to financial guarantees given to banks and third parties. The Group's and the Company's maximum exposure in this respect is the maximum amount the Group and the Company could have to pay if the guarantee is called on.

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (CONT'D)

(c) Financial risk management policies and objectives (Cont'd)

Credit risk management (Cont'd)

The maximum amount that the Group and the Company could be forced to settle under the financial guarantee contract, if the full guaranteed amount is claimed by the counterparty to the guarantee are $100,386,000 and $100,386,000 (2023 - $100,439,000 and $100,439,000), respectively which has been provided for as financial guarantee liabilities. However, this estimate is subject to change depending on the probability of the counterparty claiming under the guarantee which is a function of the likelihood that the financial receivables held by the counterparty which are guaranteed suffered credit losses.

Liquidity risk management

The Group maintains sufficient cash and cash equivalents, and internally generated cash flows to finance their activities. The Group minimises liquidity risk by keeping committed credit lines available.

Liquidity and interest risk analysis

Non-derivative financial liabilities

The following tables detail the remaining contractual maturity for non-derivative financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group and the Company can be required to pay. The tables include both interest and principal cash flows. The adjustment column represents the possible future cash flows attributable to the instrument included in the maturity analysis which is not included in the carrying amount of the financial liability on the statements of financial position.

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (CONT'D)

(c) Financial risk management policies and objectives (Cont'd)

Liquidity and interest risk analysis (Cont'd)

Non-derivative financial liabilities (Cont'd)

	Weighted average effective interest rate	On demand or within 1 year	Within 2 to 5 years	After 5 years	Adjustment	Total
Group	**% p.a.**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
30 September 2024						
Non-interest bearing instruments	-	**58,191**	-	-	-	**58,191**
Lease liabilities (fixed rate)	3.33	**99**	**396**	**2,245**	**(946)**	**1,794**
Variable interest rate instruments	6.20	**9,548**	-	-	**(70)**	**9,478**
Fixed interest rate instruments	9.81	**5,471**	-	-	**(326)**	**5,145**
Financial guarantee liabilities		**100,386**	-	-	-	**100,386**
Total		**173,695**	**396**	**2,245**	**(1,342)**	**174,994**
30 September 2023						
Non-interest bearing instruments	-	69,148	-	-	-	69,148
Lease liabilities (fixed rate)	3.57	444	456	2,344	(1,016)	2,228
Variable interest rate instruments	6.20	1,369	5,324	9,072	(5,544)	10,221
Fixed interest rate instruments	9.61	1,979	-	-	(138)	1,841
Financial guarantee liabilities	-	100,439	-	-	-	100,439
Total		173,379	5,780	11,416	(6,698)	183,877
Company						
30 September 2024						
Non-interest bearing instruments		**61,116**	-	-	-	**61,116**
Lease liabilities (fixed rate)	4.31	**17**	-	-	-	**17**
Fixed interest rate instruments	9.72	**3,803**	-	-	**(310)**	**3,493**
Financial guarantee liabilities		**100,386**	-	-	-	**100,386**
		165,322	-	-	**(310)**	**165,012**
30 September 2023						
Non-interest bearing instruments	-	61,341	-	-	-	61,341
Lease liabilities (fixed rate)	4.31	17	-	-	-	17
Fixed interest rate instruments	8.00	377	-	-	(22)	355
Financial guarantee liabilities	-	100,439	-	-	-	100,439
		162,174	-	-	(22)	162,152

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (CONT'D)

(c) Financial risk management policies and objectives (Cont'd)

Liquidity and interest risk analysis (Cont'd)

Non-derivative financial liabilities (Cont'd)

The earliest year that the guarantee could be called is within 1 year (2023 - 1 year) from the end of the reporting period.

Non-derivative financial assets

The following table details the expected maturity for non-derivative financial assets. The tables below have been drawn up based on the undiscounted contractual maturities of the financial assets including interest that will be earned on those assets except where the Group and the Company anticipate that the cash flow will occur in a different year. The adjustment column represents the possible future cash flows attributable to the instrument included in the maturity analysis which are not included in the carrying amount of the financial assets on the statements of financial position.

	Weighted average effective interest rate	On demand or within 1 year	Within 2 to 5 years	After 5 years	Adjustment	Total
Group	**% p.a.**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
30 September 2024						
Non-interest bearing		**408**	**136**	**-**	**-**	**544**
Fixed interest rate instruments	0.25	**2,002**	**-**	**-**	**(2)**	**2,000**
		2,410	**136**	**-**	**(2)**	**2,544**
30 September 2023						
Non-interest bearing	-	10,816	147	-	-	10,963
Fixed interest rate instruments	2.64	8,055	-	-	(43)	8,012
		18,871	147	-	(43)	18,975
Company						
30 September 2024						
Non-interest bearing		**12,764**	**-**	**-**	**-**	**12,764**
30 September 2023						
Non-interest bearing	-	8,447	-	-	-	8,447

Fair value of financial assets and financial liabilities

The carrying amounts of cash and cash equivalents, trade and other current receivables and payables, provisions and other liabilities approximate their respective fair values due to the relatively short-term maturity of these financial instruments. The fair values of the other classes of financial assets and liabilities are disclosed in the respective notes to the financial statements.

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (CONT'D)

(c) Financial risk management policies and objectives (Cont'd)

Fair value of financial assets and financial liabilities (Cont'd)

The fair values of financial assets and financial liabilities are determined as follows:

- the fair value of financial assets and financial liabilities with standard terms and conditions and traded on active liquid markets are determined with reference to quoted market prices; and

- the fair value of other financial assets and financial liabilities (excluding derivative instruments) are determined in accordance with generally accepted pricing models based on discounted cash flow analysis using prices from observable current market transactions and dealer quotes for similar instruments.

(d) Capital management policies and objectives

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance.

The capital structure of the Group consists of debt, which includes the borrowings and lease liabilities as disclosed in respective notes to the financial statements and equity, comprising of share capital, reserves and accumulated losses. The Group is required to maintain the required gearing in order to comply with covenants in loan agreements with banks and financial institutions.

Management also ensures that the Group maintains certain security ratios of outstanding term loans over the value of the properties in order to comply with the loan covenants imposed by banks and financial institutions.

The Group monitors capital using debt ratio as follows:

Group	**30 September 2024**	30 September 2023
	$'000	$'000
Total debts	**11,272**	12,449
Total assets	**47,557**	47,889
Total equity	**(142,394)**	(138,814)
Debt-to-total assets ratio (times)	**0.24**	0.26
Debt-to-total equity ratio (times)	NM*	NM*

* Not meaningful

As at 30 September 2024, the Group's net equity is a deficit of $141,216,000 (2023 - $138,814,000). Please refer to Note 1(c) of financial statements for updates to the restructuring exercise.

See Note 23 to the financial statements for bank covenants.

5 RELATED PARTY TRANSACTIONS

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 these financial statements. The balances are unsecured, interest-free and repayable on demand unless otherwise stated.

Other than disclosed elsewhere in these financial statements, significant related party transactions are as follows:

Compensation of directors and key management personnel

The remuneration of directors and other members of key management during the year were as follows:

Group	**Year ended 30 September 2024**	Year ended 30 September 2023
	$'000	$'000
Short-term benefits	**1,114**	1,422
Post-employment benefits	**63**	77
	1,177	1,499
Comprise amounts paid to:		
Directors of the Company	**370**	532
Directors of subsidiaries	**499**	549
Other key management personnel	**308**	418
	1,177	1,499

The remuneration of directors and other members of key management are determined by the Remuneration Committee having regard to the performance of individuals and market trends.

6 CASH AND BANK BALANCES

	Group		Company	
	2024	2023	**2024**	2023
	$'000	$'000	**$'000**	$'000
Cash at banks	**97**	4,916	**38**	25
Cash on hand	**-**	41	**-**	-
Cash and bank balances in the statement of financial position	**97**	4,957	**38**	25
Fixed deposits with tenor of less than three months	**-**	1,012		
Cash at bank in disposal group held-for-sale (Note 12)	**5,482**	-		
Cash and cash equivalents in the consolidated statement of cash flows	**5,579**	5,969		

7 FIXED DEPOSITS

Group	2024	2023
	$'000	$'000
Fixed deposits	**2,000**	8,012

Fixed deposits bear average effective interest rate of 0.25% (2023 – 3.47%) per annum and for a tenure range of 365 days (2023 - 30 to 425 days). Fixed deposits of $2,000,000 (2023 - $2,000,000) are pledged as security for certain bank facilities, while $Nil (2023 - $1,000,000 and $500,000) are used as collateral to a third party for the purpose of disposing waste at public disposal facilities and banker's performance guarantee, respectively.

8 TRADE RECEIVABLES

Group	2024	2023
	$'000	$'000
Third parties	**63**	5,153
GST receivable	**-**	15
	63	5,168
Less: Allowance for impairment		
- At beginning of year	**(280)**	(327)
- Allowance for the year (Note 35)	**(58)**	(274)
- Amounts utilised	**-**	150
- Written back (Note 35)	**-**	171
- Reclassification to disposal group held-for-sale (Note 12)	**338**	-
- At end of year	**-**	(280)
Trade receivables - net	**63**	4,888

The credit period granted to customers is generally 7 to 14 days (2023 - 7 to 30 days). No interest is charged on the outstanding trade receivables. Loss allowance for trade receivables has always been measured at an amount equal to lifetime ECL. The ECL on trade receivables are estimated using a provision matrix by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of conditions at the reporting date.

A trade receivable is written off when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings. None of the trade receivables that have been written off is subject to enforcement activities.

In determining the recoverability of a trade receivable, the Group considers any change in the credit quality of the trade receivable from the date credit was initially granted up to the end of the reporting year.

9 OTHER RECEIVABLES

	Group		Company	
	2024	2023	**2024**	2023
	$'000	$'000	**$'000**	$'000
Amounts due from subsidiaries (a)	**-**	-	**26,601**	24,729
Interest receivable				
- Subsidiary	**-**	-	**2,466**	2,466
- Others	**5**	3	**-**	-
Amount due from former subsidiaries (a)	**130**	220	**106**	205
Deferred commission expenses (b)	**8**	17	**-**	-
Lease receivables (c)	**146**	157	**-**	-
Prepayments	**76**	251	**15**	24
Deposits (d)	**121**	759	**117**	19
Amount due from former immediate holding company of a subsidiary (e)	**-**	144	**-**	144
Accrued rental income	**33**	35	**-**	-
Outside parties	**85**	110	**11**	-
	604	1,696	**29,316**	27,587
Less: Allowance for impairment				
- At beginning of year	**(260)**	(212)	**(19,141)**	(18,488)
- Allowance for the year (Note 35)	**(6)**	(48)	**(508)**	(2,079)
- Amount utilised	**127**	-	**-**	-
- Written back (Note 35)	**36**	-	**3,074**	1,426
- At end of year	**(103)**	(260)	**(16,575)**	(19,141)
Other receivables - net	**501**	1,436	**12,741**	8,446
Amounts receivable within 12 months (shown under current assets)	**(365)**	(1,289)	**(12,741)**	(8,446)
Amounts receivable after 12 months	**136**	147	**-**	-

Other receivables are recoverable on demand or within 12 months. Accordingly, for the purpose of impairment assessment for these receivables, the loss allowance is measured at an amount equal to 12-month ECL.

In determining the ECL, management has taken into account the historical default experience and the financial position of the counterparties, adjusted for factors that are specific to the debtors and general economic conditions of the industry in which the debtors operate, in estimating the probability of default of each of these financial assets occurring within their respective loss assessment time horizon, as well as the loss upon default in each case.

(a) Amounts due from subsidiaries and former subsidiaries are unsecured, interest free and repayable on demand. Allowance has been made for estimated irrecoverable amounts by the Company of $16,575,000 (2023 - $19,141,000).

(b) Deferred commission expenses are recognised in profit or loss as and when revenue is recognised.

(c) This relates to a finance leasing arrangement in respect of a subsidiary's electric power generation system. The term of the finance lease entered into with third party is 20 years with an option granted to the lessee to purchase the asset at end of lease year at a nominal amount.

(d) Included in deposits of the Group are amount of $Nil (2023 - $419,000) being security deposits placed for on-going business projects and $Nil (2023 - $100,000) being deposit for acquisition of leasehold property. During the financial year, the acquisition was cancelled and the deposit refunded.

Included in deposits of the Company is rental deposit of $17,000 (2023 - $17,000) paid to a subsidiary.

9 OTHER RECEIVABLES (CONT'D)

(e) This relates to amount held by former immediate holding company of a subsidiary for monthly repayment of the current portion of long-term borrowings. Amount was unsecured, interest-free and received during the year.

10 INVENTORIES

Group	**2024**	2023
	$'000	$'000
At cost:		
Consumables	-	48

11 CONTRACT ASSETS

Group	**2024**	2023
	$'000	$'000
Accrued revenue	-	333

Contract assets relating to accrued revenue are amounts for which the Group has performed work as at end of reporting year but have not billed the customer. Any amount previously recognised as a contract asset is reclassified to trade receivables at the point at which it is invoiced to the customer.

Management estimates the loss allowance on contract assets at an amount equal to lifetime ECL, taking into account the historical default experience and the future prospects of the relevant customers' industry.

None of the contract assets at the end of the reporting year is past due.

Based on the Group's historical credit loss experience with the relevant customers, as well as available forward-looking information, the Group has assessed the expected credit loss rate on contract assets to be insignificant.

As at 1 October 2023, the Group's gross contract assets related to revenue from contracts with customers amounted to $333,000 (1 October 2022 - $267,000).

There are no contract assets as at 30 September 2024 as it has been reclassified as part of the non-current assets held for sale (Note 12).

12 NON-CURRENT ASSETS HELD FOR SALE AND LIABILITIES ASSOCIATED WITH NON-CURRENT ASSETS HELD FOR SALE

	Group 2024 $'000
Assets of disposal group classified as held for sale	
- G3 Environmental Private Limited (i)	**22,838**
- PowerSource Philippines Distributed Power Holdings, Inc. (ii)	**2,734**
	25,572
Liabilities associated with disposal group classified as held for sale	
- G3 Environmental Private Limited (i)	**12,212**

(i) G3 Environmental Private Limited ("G3 Environmental")

On 6 August 2024, the Group accepted a binding offer from Re Sustainability Limited to acquire 50.10% of the issued and paid-up share capital in G3 Environmental for a consideration of S$11,022,000 via its subsidiary, Re Sustainability International (Singapore) Pte. Ltd ("SISPL").

On 16 October 2024, the Group's subsidiary, TEE Infrastructure Private Limited, together with the other shareholders of G3 Environmental entered into a sale and purchase agreement with SISPL to sell their respective shareholdings in G3 Environmental for a total consideration of $22 million (collectively known as the "G3 Disposal"). The G3 Disposal was completed on 13 November 2024.

Accordingly, the assets and liabilities of G3 Environmental and its subsidiaries ("G3 Group") were presented separately in the consolidated statement of financial position as a disposal group held for sale and the results of G3 Group was presented separately on the statement of profit and loss and other comprehensive income as "Discontinued Operation".

The assets and liabilities of the disposal group classified as held for sale were as follows:

Group	**2024 $'000**
Assets	
Cash and bank balances (Note 6)	**5,482**
Fixed deposits	**1,700**
Trade receivables	***5,172**
Other receivables	**754**
Inventories	**55**
Contract assets	**238**
Intangible assets (Note 15)	**-**
Property, plant and equipment	**9,120**
Deferred tax assets (Note 17)	**317**
Assets of the disposal group	**22,838**

* Net of allowance for impairment of $338,000 (Note 8)

12 NON-CURRENT ASSETS HELD FOR SALE AND LIABILITIES ASSOCIATED WITH NON-CURRENT ASSETS HELD FOR SALE (CONT'D)

(i) G3 Environmental Private Limited ("G3 Environmental") (Cont'd)

Group	2024 $'000
Liabilities	
Trade payables	**1,555**
Other payables [(1)]	**9,538**
Contract liabilities	**7**
Provisions (Note 21)	**471**
Lease liabilities	**149**
Income tax payable	**463**
Deferred tax liabilities (Note 17)	**29**
Liabilities of the disposal group	**12,212**

(1) Other payables include a loan from non-controlling interest of $6,188,000 for working capital purposes. The loan was subsequently converted into equity of G3 Environmental on 4 November 2024 pursuant to conditions precedent to the completion of the G3 Disposal.

(ii) PowerSource Philippines Distributed Power Holdings, Inc. ("Powersource")

As part of the Company's Scheme of Arrangement, one of the key terms of the Scheme is to dispose of the Group's 21.05% equity interest in associate, Powersource, by the long stop date of 31 December 2025 and any net cash proceeds from the disposal is to be distributed to the Scheme creditors on a pari passu basis.

Accordingly, the Group account for its investment in Powersource as assets held for sale and the share of results from Powersource was presented separately on the statement of profit and loss and other comprehensive income as "Discontinued Operation".

The cumulative currency translation reserve recognised in other comprehensive income relating to asset classified as held-for-sale was as follows:

Group	2024 $'000
Currency translation reserve	**1,178**

These cumulative translation differences will remain in equity until the disposal is completed, at which point they will be reclassified to profit or loss.

13 INVESTMENT IN ASSOCIATE

Group	**2024**	2023
	$'000	$'000
Unquoted equity shares, at cost	**4,332**	4,332
Share of post-acquisition reserves, net of dividend received	**936**	941
Allowance for impairment (Note 35)	**(2,534)**	-
Reclassification to disposal group (Note 12)	**(2,734)**	-
	-	5,273

Management had performed an impairment review on the investment in associate and impairment loss of $2,534,000 (2023 - $Nil) is recognised based on the fair value less costs to sell before classifying the associate as non-current assets held for sale.

Details of the Group's associate are as follows:

Name of associate/ Place of incorporation and operation	Principal activity	Proportion of effective ownership interest and voting power held	
		2024	2023
		%	%
PowerSource Philippines Distributed Power Holdings, Inc. Philippines[(1)(2)]	Construction, operation and maintenance of power plants	**21.05**	21.05

(1) Audited by another firm of auditors, Diaz Murillo Dalupan and Company, Philippines for equity accounting purposes for Group consolidation.

(2) Reclassified to disposal group classified as held for sale during the financial year (Note 12).

14 INVESTMENT IN SUBSIDIARIES

	2024	2023
Company	**$'000**	$'000
Unquoted equity shares, at cost	**12,094**	12,094
Allowance for impairment loss		
At beginning of year	**(12,094)**	(8,137)
Allowance for the year	**-**	(3,957)
At end of year	**(12,094)**	(12,094)
Net	**-**	-

The Company assesses the carrying amounts of its investments in subsidiaries for indicators of impairment. Based on this assessment, the Company recognised an impairment loss of $Nil (2023 - $3,957,000) which was to write down the carrying values of certain subsidiaries to their recoverable amounts as these investments are no longer represented by net assets of the investees. The recoverable amounts of these investments had been determined based on respective subsidiaries' revalued net assets as at end of reporting year which is classified under level 3 of the fair value hierarchy.

Details of the Company's significant subsidiaries are as follows:

Name of subsidiary/ Country of incorporation and operation	Principal activity	Proportion of ownership interest and voting power held	
		2024	2023
		%	%
TEE Industrial Pte. Ltd. Singapore [1]	Operating an industrial building for rental	**100.00**	100.00
TEE Furnishing Pte. Ltd. Singapore [1] (Incorporated on 29 February 2024)	Retail sale of furniture	**100.00**	-
G3 Environmental Private Limited Singapore [1][2]	Commercial and industrial real estate management	**50.10**	50.10

14 INVESTMENT IN SUBSIDIARIES (CONT'D)

(1) Audited by Foo Kon Tan LLP.

(2) Reclassified to disposal group classified as held for sale during the financial year (Note 12). Disposed of on 13 November 2024.

Information about the composition of wholly-owned and non-wholly-owned subsidiaries of the Group is as follows:

Principal activities	Place of incorporation and operation	Number of wholly-owned subsidiaries		Number of non wholly-owned subsidiaries	
		2024	2023	**2024**	2023
Infrastructure	Singapore	**3**	3	**4** (1)	4
Investment holding	Singapore	**1**	1	**-**	-
Retail	Singapore	**1**	-	**-**	-

(1) Reclassified to disposal group classified as held for sale during the financial year (Note 12). Disposed of on 13 November 2024.

The summarised financial information of G3 Environmental Private Limited and its subsidiaries on a 100% basis is set in Note 12 and Note 34 to the financial statements.

15 INTANGIBLE ASSET

Group	**2024** **$'000**	2023 $'000
Customer contracts		
Cost:		
- At the beginning and end of the year	**2,233**	2,233
- Reclassified to disposal group held for sale (Note 12)	**(2,233)**	-
- At end of year	**-**	2,233
Accumulated amortisation:		
- At the beginning and end of the year	**(2,233)**	(2,233)
- Reclassified to disposal group held for sale (Note 12)	**2,233**	-
- At end of year	**-**	(2,233)
Carrying amount	**-**	-

The intangible asset above has a finite useful life, over which the asset is amortised, which is 3 years.

16 PROPERTY, PLANT AND EQUIPMENT

Group	Leasehold land and building $'000	Leased premises $'000	Computers $'000	Renovation $'000	Motor vehicles $'000	Machinery and tools $'000	Office furniture and equipment $'000	Total $'000
Cost:								
At 1 October 2022	23,535	1,287	831	486	3,757	3,025	498	33,419
Additions	-	-	15	-	643	210	20	888
Additions/remeasurement - ROU	75	-	-	-	17	35	-	127
Disposals	-	-	(2)	-	(601)	(390)	(17)	(1,010)
Write-offs	-	-	(64)	(8)	-	(12)	-	(84)
Write-offs – ROU	-	(273)	-	-	-	(130)	-	(403)
Reclassification – ROU	-	-	-	-	-	81	(81)	-
At 30 September 2023	**23,610**	**1,014**	**780**	**478**	**3,816**	**2,819**	**420**	**32,937**
Additions	**-**	**-**	**4**	**107**	**671**	**239**	**25**	**1,046**
Additions/remeasurement - ROU	**6,805**	**129**	**-**	**-**	**18**	**-**	**-**	**6,952**
Disposals	**-**	**-**	**-**	**-**	**(485)**	**(148)**	**(22)**	**(655)**
Write-offs	**-**	**-**	**(6)**	**-**	**-**	**(95)**	**(16)**	**(117)**
Write-offs – ROU	**-**	**(553)**	**-**	**-**	**(13)**	**-**	**-**	**(566)**
Reclassified to disposal group held for sale (Note 12)	**(6,955)**	**(590)**	**(216)**	**(437)**	**(4,007)**	**(2,815)**	**(226)**	**(15,246)**
At 30 September 2024	**23,460**	**-**	**562**	**148**	**-**	**-**	**181**	**24,351**

16 PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Group	Leasehold land and building $'000	Leased premises $'000	Computers $'000	Renovation $'000	Motor vehicles $'000	Machinery and tools $'000	Office furniture and equipment $'000	Total $'000
Accumulated depreciation and impairment:								
At 1 October 2022	2,940	595	818	133	2,011	2,324	320	9,141
Depreciation	662	-	12	125	754	281	42	1,876
Depreciation – ROU	58	355	-	-	20	56	4	493
Disposals	-	-	(2)	-	(539)	(384)	(17)	(942)
Write-offs	-	-	(64)	(8)	-	(12)	-	(84)
Write-offs – ROU	-	(188)	-	-	-	(130)	-	(318)
Reclassification - ROU	-	-	-	-	-	29	(29)	-
Impairment (Note 35)	225	-	-	-	-	-	-	225
At 30 September 2023	**3,885**	**762**	**764**	**250**	**2,246**	**2,164**	**320**	**10,391**
Depreciation	**636**	**-**	**9**	**95**	**508**	**215**	**43**	**1,506**
Depreciation – ROU	**155**	**303**	**-**	**-**	**31**	**32**	**5**	**526**
Disposals	**-**	**-**	**-**	**-**	**(338)**	**(97)**	**(22)**	**(457)**
Write-offs	**-**	**-**	**(6)**	**-**	**-**	**(95)**	**(16)**	**(117)**
Write-offs – ROU	**-**	**(553)**	**-**	**-**	**(13)**	**-**	**-**	**(566)**
Reclassified to disposal group held for sale (Note 12)	**(245)**	**(512)**	**(205)**	**(331)**	**(2,434)**	**(2,219)**	**(180)**	**(6,126)**
Reversal of impairment (Note 35)	**(130)**	**-**	**-**	**-**	**-**	**-**	**-**	**(130)**
At 30 September 2024	**4,301**	**-**	**562**	**14**	**-**	**-**	**150**	**5,027**
Carrying amount:								
At 30 September 2024	**19,159**	**-**	**-**	**134**	**-**	**-**	**31**	**19,324**
At 30 September 2023	19,725	252	16	228	1,570	655	100	22,546

Carrying amount of ROU assets classified within property, plant and equipment as at 30 September 2024 amounted to $1,659,000 (2023 - $2,083,000) [Note 36(a)].

16 PROPERTY, PLANT AND EQUIPMENT (CONT'D)

(a) Right-of-use assets ("ROU") acquired under leasing arrangements are presented together with the owned assets of the same class. The group made cash payments to acquire right-of-use assets of $6,805,000 (2023 - $Nil) which was reclassified to disposal group held for sale. Details of such leased assets are disclosed in Note 36 to the financial statements.

(b) Details of the Group's properties are as follow:

Address of properties	Tenure of properties	Term of lease	Remaining term of lease	Existing use
TEE Building 25 Bukit Batok Street 22 Singapore 659591	Leasehold	From 1 May 1992 to 30 April 2052	27 years and 7 months	Industrial and office space for providing rental

(c) Depreciation expenses have been included in the line item "cost of sales" and "administrative expenses" in profit or loss.

(d) The Group's leasehold building is pledged to bank to secure facilities granted to the Group (Note 23).

(e) Impairment loss of $130,000 was reversed in current year as the fair value of the leasehold property, determined based on valuation as at 30 September 2024 carried out by independent valuers with appropriate recognised professional qualifications and experience, had increased. In prior financial year, the impairment loss of $225,000 represents the write-down of leasehold building to its fair value less disposal costs.

The impairment loss reversed (2023 – impairment loss provided) on these assets is recognised within "other operating income" (2023 – "other operating expenses") in profit or loss. The recoverable amount of property, plant and equipment is based on fair value less cost of disposal, which is a fair value hierarchy Level 3 measurement.

Company	Leased premises	Computers	Renovation	Office furniture and equipment	Total
	$'000	$'000	$'000	$'000	$'000
Cost:					
At 1 October 2022	129	559	3	137	828
Additions	-	1	-	-	1
Disposal	-	(2)	-	-	(2)
At 30 September 2023	**129**	**558**	**3**	**137**	**827**
Additions	**65**	**-**	**-**	**-**	**65**
At 30 September 2024	**194**	**558**	**3**	**137**	**892**
Accumulated depreciation:					
At 1 October 2022	47	559	3	137	746
Depreciation	65	1	-	-	66
Disposal	-	(2)	-	-	(2)
At 30 September 2023	**112**	**558**	**3**	**137**	**810**
Depreciation	**66**	**-**	**-**	**-**	**66**
At 30 September 2024	**178**	**558**	**3**	**137**	**876**
Carrying amount:					
At 30 September 2024	**16**	**-**	**-**	**-**	**16**
At 30 September 2023	**17**	**-**	**-**	**-**	**17**

17 DEFERRED TAX

The following are the major deferred tax assets and liabilities recognised by the Group, and movements thereon during the year:

Deferred tax assets

Group	Lease liabilities	Capital allowances	Provisions	Tax losses	Total
	$'000	$'000	$'000	$'000	$'000
At 1 October 2022	-	227	8	212	447
Credit/(charge) to profit or loss for the year (Note 33)	28	(79)	-*	-	(51)
At 30 September 2023	**28**	**148**	**8**	**212**	**396**
Charge to profit or loss for the year (Note 33)	**(20)**	**(58)**	**(1)**	**-**	**(79)**
Reclassified to disposal group held for sale (Note 12)	**(8)**	**(90)**	**(7)**	**(212)**	**(317)**
At 30 September 2024	**-**	**-**	**-**	**-**	**-**

**denotes amount less than $1,000.*

Deferred tax liabilities

Group	Lease liabilities	Provisions	Property, plant and equipment	Total
	$'000	$'000	$'000	$'000
At 1 October 2022	-	(26)	129	103
Credit/(charge) to profit or loss for the year (Note 33)	(22)	(43)	194	129
At 30 September 2023	**(22)**	**(69)**	**323**	**232**
Credit/(charge) to profit or loss for the year (Note 33)	**11**	**(156)**	**(58)**	**(203)**
Reclassified to disposal group held for sale (Note 12)	**11**	**225**	**(265)**	**(29)**
At 30 September 2024	**-**	**-**	**-**	**-**

Temporary differences arising in connection with interests in associate is not significant.

18 TRADE PAYABLES

	Group		Company	
	2024	2023	**2024**	2023
	$'000	$'000	**$'000**	$'000
Third parties	**-**	1,299	**-**	-
GST payable	**92**	395	**92**	152
Total	**92**	1,694	**92**	152

The credit period granted by suppliers ranged from NIL days (2023 - 30 to 90 days). No interest is charged on the outstanding balance.

19 OTHER PAYABLES

	Group		Company	
	2024	2023	**2024**	2023
	$'000	$'000	**$'000**	$'000
Amounts due to:				
- subsidiaries	**-**	-	**3,298**	3,206
- former immediate holding company of a subsidiary	**1,652**	1,587	**308**	241
- former subsidiaries	**49,684**	49,684	**49,647**	49,647
Shareholder loans	**2,968**	2,968	**2,768**	2,768
Loan from a related party	**1,630**	200	**1,630**	200
Loan from non-controlling interest	**-**	6,188	**-**	-
Loan from former Subscriber	**2,780**	1,800	**2,780**	1,800
Accrued expenses	**1,055**	3,487	**926**	696
Accrued interest expense	**276**	131	**268**	23
Rental and security deposits	**621**	1,204	**500**	1,000
Loan from third party	**445**	355	**445**	355
Other payables	**2,225**	2,086	**2,039**	1,760
	63,336	69,690	**64,609**	61,696

Unless otherwise stated, the amounts due to subsidiaries and former subsidiaries, and shareholder loans are unsecured, interest-free and repayable on demand or within the next twelve months.

The loan from a related party is for working capital purpose, is unsecured, interest-free and repayable within the next twelve months. Related party refers to a party who is deemed to have an interest in all the shares directly held by the shareholder (the immediate and ultimate holding company) of the Company.

Amount due to former immediate holding company of a subsidiary carry a interest rate of 10% (2023 - 7% to 10%) per annum and are secured by assignment of sales proceed from the property of a subsidiary and certain shares of the subsidiaries under the Group. Subsequent to the financial year, the amount was fully repaid.

The loan from non-controlling interest of $6,188,000 is for working capital loans for respective subsidiaries and are unsecured, interest-free and repayable on demand. Amount has been reclassified to disposal group classified as held for sale (Note 12).

19 OTHER PAYABLES (CONT'D)

Loan from former Subscriber is mainly to fund the costs and expenses incurred for the restructuring exercise of the Group, as well as operating expenses of the Group. The loan carries fixed interest rate of 10% (2023 – NIL) per annum, is unsecured and has been included as part of and will be settled via the Scheme of Arrangement of the Company.

Loan from third party carries a fixed interest rate of 8% (2023 – 8%) per annum and is unsecured and repayable within next twelve months. During the financial year, the repayment term was extended for another twelve months.

20 CONTRACT LIABILITIES

	2024	2023
Group	**$'000**	$'000
Advance receipts from customers	**-**	1

Revenue is recognised when control of the goods has transferred to the customer, being at the point the goods are delivered to the customer. When the customer makes advance payments prior to delivery of goods, the transaction price received at that point by the Group is recognised as contract liability until the goods have been delivered to the customer.

21 PROVISIONS

	Group		**Company**	
	2024	2023	**2024**	2023
	$'000	$'000	**$'000**	$'000
Provision for restoration costs (i)	**157**	506	**-**	-
Provision for restructuring costs (ii)	**1,123**	1,108	**1,123**	1,108
	1,280	1,614	**1,123**	1,108

(i) Provision for restoration costs

	2024	2023
Group	**$'000**	$'000
At beginning of the year	**506**	489
Addition	**107**	-
Unwinding of discount (Note 32)	**15**	17
Reclassified to disposal group held for sale (Note 12)	**(471)**	-
At end of year	**157**	506

(ii) Provision for restructuring costs

	2024	2023
Group and Company	**$'000**	$'000
At beginning of the year	**1,108**	-
Addition	**15**	1,108
At end of year	**1,123**	1,108

21 PROVISIONS (CONT'D)

(ii) Provision for restructuring costs (Cont'd)

The Company entered into a share-based payment arrangement with a third-party vendor in exchange for services in respect of the Group's ongoing restructuring exercise. The vendor has a choice of settlement of the fee through equity shares of the Company or in cash. The Company has accounted for this transaction as cash-settled share-based payment.

22 LEASE LIABILITIES

	Group		Company	
	2024	2023	**2024**	2023
	$'000	$'000	**$'000**	$'000
Undiscounted lease payments due:				
- Year 1	**99**	444	**17**	17
- Year 2	**99**	149	**-**	-
- Year 3	**99**	109	**-**	-
- Year 4	**99**	99	**-**	-
- Year 5	**99**	99	**-**	-
- Year 6 and onwards	**2,245**	2,344	**-**	-
	2,740	3,244	**17**	17
Less: Unearned interest cost	**(946)**	(1,016)	**-**	-
Lease liabilities	**1,794**	2,228	**17**	17
Amount shown under current liabilities	**40**	374	**17**	17
Amount shown under non-current liabilities	**1,754**	1,854	**-**	-
	1,794	2,228	**17**	17

The Group enters into leases for leasehold land, leased premises, motor vehicles, machinery and tools, and office equipment from non-related parties under non-cancellable lease agreements. There are no restrictions placed upon the Group by entering into these contracts.

Interest expense on lease liabilities of $71,000 (2023 - $84,000) is recognised within "finance costs" in profit or loss (Note 32).

Lease expenses not capitalised in lease liabilities but recognised within "cost of sales and administrative expenses" in profit or loss are set out below:

Group	**Year ended 30 September 2024**	Year ended 30 September 2023
	$'000	$'000
Short-term lease	**-**	25
Leases of low-value asset	**2**	15
	2	40

The cash outflows for all leases in the year amount to $505,000 (2023 - $608,000).

As at 30 September 2024, the Group's and the Company's short-term lease commitments at the reporting date are not substantially dissimilar to those giving rise to the Group's and the Company's short-term lease expense for the year.

22 LEASE LIABILITIES (CONT'D)

The Group's and the Company's lease liabilities are secured by the lessors' title to the leased assets.

Information about the Group's leasing activities are disclosed in Note 36 to the financial statements.

Further information about the financial risk management is disclosed in Note 4 to the financial statements.

23 LONG-TERM BORROWINGS

	2024	2023
Group	**$'000**	$'000
Borrowings	**9,478**	10,221
Less: Current portion due within 12 months	**(9,478)**	(735)
Amounts due for settlement after 12 months	**-**	9,486
Secured	**9,478**	10,221

The following outstanding balances are secured with the following:

	2024	2023
Group	**$'000**	$'000
Leasehold building	**9,478**	10,221

The Group's long-term borrowings bear interest at rates 6.20% (2023 – 4.45% to 6.20%) per annum. The directors estimate the fair value of the Group's long-term borrowings to approximate the carrying amount and interest rates to approximate current market interest rates on or near the end of the reporting year.

The Group's bank facility agreements include financial covenants. These covenants require the Group to meet certain key financial ratios.

As disclosed in Note 12(i), the Group accepted a binding offer to sell their respective shareholdings in G3 Environmental for a total consideration of $22 million. One of the conditions precedent was the discharge of the relevant charges over G3 Environmental's shares by the secured creditors. Partial of the proceeds from the G3 Disposal was utilised to repay the loan in full upon the completion date on 13 November 2024.

23 LONG-TERM BORROWINGS (CONT'D)

Reconciliation of (assets)/liabilities arising from financing activities

			Non-cash changes					
	1 October 2022	Financing cash flow	Derecognition/ disposal of subsidiaries	Guarantee fee	Pre-termination of lease	New leases/ remeasure-ment	Finance costs (Note 32)	30 September 2023
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Fixed deposits pledged (Note 7)	(3,008)	(492)	-	-	-	-	-	(3,500)
Amount due from former immediate holding company of a subsidiary (Note 9) and [(i) below]	(678)	534	-	-	-	-	-	(144)
Shareholder loans (Note 19)	2,968	-	-	-	-	-	-	2,968
Amounts due to former immediate holding company of a subsidiary (Note 19)	1,363	-	-	100	-	-	124	1,587
Amounts due to former subsidiaries (Note 19)	24,839	-	24,845	-	-	-	-	49,684
Loan from a related party (Note 19)	-	200	-	-	-	-	-	200
Loan from non-controlling interest (Note 19)	6,188	-	-	-	-	-	-	6,188
Loan from former Subscriber (Note 19)	-	1,800	-	-	-	-	-	1,800
Loan from third party (Note 19)	305	50	-	-	-	-	-	355
Lease liabilities (Note 22)	2,670	(568)	-	-	(85)	127	84	2,228
Long-term borrowings (Note 23)	10,738	(517)	-	-	-	-	-	10,221
Accrued interest expense (Note 19)	89	(484)	(93)	-	-	-	619	131

(i) This pertains to amount held by former immediate holding company of a subsidiary for monthly repayment of long-term borrowings. Accordingly, the cash outflow is reflected as a financing activity.

23 LONG-TERM BORROWINGS (CONT'D)

Reconciliation of (assets)/liabilities arising from financing activities (Cont'd)

			Non-cash changes				
	1 October 2023	Financing cash flow	Reclassified to disposal group held for sale (Note 12)	Guarantee fee	New leases/ remeasure-ment	Finance costs (Note 32)	30 September 2024
	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Fixed deposits pledged (Note 7)	**(3,500)**	**(200)**	**1,700**	-	-	-	**(2,000)**
Amount due from former immediate holding company of a subsidiary (Note 9) and [(i) below]	**(144)**	**144**	-	-	-	-	-
Shareholder loans (Note 19)	**2,968**	-	-	-	-	-	**2,968**
Amounts due to former immediate holding company of a subsidiary (Note 19)	**1,587**	**(174)**	-	**100**	-	**139**	**1,652**
Amounts due to former subsidiaries (Note 19)	**49,684**	-	-	-	-	-	**49,684**
Loan from a related party (Note 19)	**200**	**1,430**	-	-	-	-	**1,630**
Loan from non-controlling interest (Note 19)	**6,188**	-	**(6,188)**	-	-	-	-
Loan from former Subscriber (Note 19)	**1,800**	**980**	-	-	-	-	**2,780**
Loan from third party (Note 19)	**355**	**90**	-	-	-	-	**445**
Lease liabilities (Note 22)	**2,228**	**(503)**	**(149)**	-	**147**	**71**	**1,794**
Long-term borrowings (Note 23)	**10,221**	**(743)**	-	-	-	-	**9,478**
Accrued interest expense (Note 19)	**131**	**(715)**	-	-	-	**860**	**276**

(i) This pertains to amount held by former immediate holding company of a subsidiary for monthly repayment of long-term borrowings. Accordingly, the cash outflow is reflected as a financing activity.

24 FINANCIAL GUARANTEE LIABILITIES

	Group		Company	
	2024	2023	**2024**	2023
	$'000	$'000	**$'000**	$'000
At the beginning of year	**100,439**	98,617	**100,439**	98,617
Additional liabilities	**-**	2,336	**-**	2,336
Adjustments (Note 35)	**(53)**	(514)	**(53)**	(514)
At end of year	**100,386**	100,439	**100,386**	100,439

Financial guarantee liabilities pertain to corporate guarantee issued to counterparties for performance bonds and claims made against certain former subsidiaries. The adjustment of financial guarantee liabilities was made to align with the Company's Scheme of Arrangement.

25 SHARE CAPITAL

	2024	2023	**2024**	2023
Group and Company	Number of ordinary shares		**$'000**	$'000
Issued and paid up:				
At beginning and at end of year	**648,152,876**	648,152,876	**73,194**	73,194

Fully paid ordinary shares, which have no par value, carry one vote per share and carry a right to dividends.

26 TREASURY SHARES

	2024	2023	**2024**	2023
Group and Company	Number of ordinary shares		**$'000**	$'000
Issued and paid up:				
At beginning and at end of year	**1,270,400**	1,270,400	**269**	269

In 2017, the Company acquired 1,270,400 of its own shares through purchases on the Singapore Exchange. The total amount paid to acquire the shares was $269,000 and has been deducted from shareholders' equity. The shares are held as 'treasury shares'.

The Company intends to transfer the treasury shares for the purposes of an employees' share scheme or as consideration for the acquisition of shares in or assets of another company or assets of a person.

27 CURRENCY TRANSLATION RESERVE

Exchange differences relating to the translation from the functional currencies of the Group's foreign operations into Singapore dollars are brought to account by recognising those exchange differences in other comprehensive income and accumulating them in a separate component of equity under the header of currency translation reserve.

28 CAPITAL RESERVE

	Group		Company	
	2024	2023	**2024**	2023
	$'000	$'000	**$'000**	$'000
At beginning and end of the year	**-**	-	**(274)**	(274)

The capital reserve represents effects of changes in ownership interests in subsidiaries when there is no change in control.

29 REVENUE

	Continuing operations		Discontinued operations (Note 34)		Total	
	2024	2023 Re-presented	**2024**	2023 Re-presented	**2024**	2023
Group	**$'000**	$'000	**$'000**	$'000	**$'000**	$'000
Corporate and others:						
Rental income	**286**	273	**-**	-	**286**	273
Consultancy income	**62**	-	**-**	-	**62**	-
Engineering and Construction:						
Construction engineering contracts	**-**	-	**-**	11,116	**-**	11,116
Infrastructure:						
Rental and related services income	**14**	16	**-**	-	**14**	16
Sale of goods	**-**	-	**1,694**	1,599	**1,694**	1,599
Waste and recycling management services	**-**	-	**27,306**	27,264	**27,306**	27,264
Total	**362**	289	**29,000**	39,979	**29,362**	40,268

	Continuing operations		Discontinued operations		Total	
	2024	2023 Re-presented	**2024**	2023 Re-presented	**2024**	2023
Group	**$'000**	$'000	**$'000**	$'000	**$'000**	$'000
Timing of revenue recognition from contract with customers, excluding rental income						
At a point in time:						
Sale of goods	**-**	-	**1,694**	1,599	**1,694**	1,599
Short-term construction engineering contracts	**-**	-	**-**	723	**-**	723
Over time:						
Construction Engineering contracts	**-**	-	**-**	10,393	**-**	10,393
Waste and recycling management services	**-**	-	**27,306**	27,264	**27,306**	27,264
Consultancy income	**62**	-	**-**	-	**62**	-
Total	**62**	-	**29,000**	39,979	**29,062**	39,979

Revenue from construction engineering contracts recognised over time is based on the percentage of completion basis.

30 OTHER OPERATING INCOME

Group	Continuing operations		Discontinued operations (Note 34)		Total	
	2024	2023 Re-presented	**2024**	2023 Re-presented	**2024**	2023
	$'000	$'000	**$'000**	$'000	**$'000**	$'000
Interest income arising from:						
Fixed deposits	**3**	8	**183**	94	**186**	102
Others	**-**	-	**59**	22	**59**	22
	3	8	**242**	116	**245**	124
Gain on disposal of plant and equipment	**-**	-	**42**	55	**42**	55
Government grants	**2**	2	**301**	420	**303**	422
Management and service fees income	**83**	131	**-**	-	**83**	131
Reversal of impairment loss on property, plant and equipment (Note 16)	**130**	-	**-**	-	**130**	-
Other payables written back	**550**	253	**-**	-	**550**	253
Others	**9**	41	**11**	40	**20**	81
Total	**777**	435	**596**	631	**1,373**	1,066

Included in government grants are:

(i) Senior Worker Early Adopter Grant and Part Time Re-employment Grant of $NIL (2023 - $260,000) from the Singapore Government to provide support to employers to increase the employees' retirement and re-employment ages ahead of the legislative schedule.

(ii) Progressive Wage Credit Scheme of $221,000 (2023 - $NIL) from the Singapore Government to provide transitional wage support for employers to adjust to mandatory wage increases for lower-wage workers covered by the Progressive Wage Model and Local Qualifying Salary requirements, as well as voluntarily raise wages of lower-wage workers.

31 OTHER OPERATING EXPENSES

Group	Continuing operations		Discontinued operations (Note 34)		Total	
	2024	2023 Re-presented	**2024**	2023 Re-presented	**2024**	2023
	$'000	$'000	**$'000**	$'000	**$'000**	$'000
Impairment loss on property, plant and equipment (Note 16)	**-**	225	**-**	-	**-**	225
Net foreign currency exchange adjustment loss/(gain)	**4**	(1)	**-**	-	**4**	(1)
Property, plant and equipment written off	**-**	-	**-**	5	**-**	5
Trade receivables written off	**-**	-	**-**	12	**-**	12
Other receivables written off	**-**	15	**-**	151	**-**	166
Due from former subsidiaries written off	**-**	2,984	**-**	-	**-**	2,984
Total	**4**	3,223	**-**	168	**4**	3,391

32 FINANCE COSTS

	Continuing operations		Discontinued operations (Note 34)		Total	
	2024	2023 Re-presented	**2024**	2023 Re-presented	**2024**	2023
Group	**$'000**	$'000	**$'000**	$'000	**$'000**	$'000
Interest on borrowings and bank overdrafts	**999**	739	**-**	4	**999**	743
Interest on lease liabilities (Note 22)	**61**	61	**10**	23	**71**	84
Unwinding of discount on provision for Restoration cost [Note 21(i)]	**5**	5	**10**	12	**15**	17
Total	**1,065**	805	**20**	39	**1,085**	844

33 INCOME TAX EXPENSE/(CREDIT)

	Continuing operations		Discontinued operations (Note 34)		Total	
	2024	2023 Re-presented	**2024**	2023 Re-presented	**2024**	2023
Group	**$'000**	$'000	**$'000**	$'000	**$'000**	$'000
Current:						
- Taxable income for the year	**-**	-	**487**	193	**487**	193
- Adjustment in respect of prior years	**31**	(61)	**(47)**	(3)	**(16)**	(64)
- Withholding tax expenses	**-**	25	**-**	-	**-**	25
Deferred:						
- (Credit)/Charge for the year	**-**	-	**(124)**	180	**(124)**	180
	31	(36)	**316**	370	**347**	334

Domestic income tax is calculated at 17% (2023 - 17%) of the estimated assessable profit for the year. Taxation for other jurisdictions is calculated at the rates prevailing in the relevant jurisdictions.

33 INCOME TAX EXPENSE/(CREDIT) (CONT'D)

The total charge for the year can be reconciled to the accounting profit/(loss) as follows:

Group	**2024** **$'000**	2023 Re-presented $'000
(Loss)/profit before tax		
- Continuing operations	**(2,667)**	(2,830)
- Discontinued operations (Note 34)	**883**	1,458
Less:		
Share of results of associate (Note 34)	**(266)**	(578)
	(2,050)	(1,950)
Tax at the domestic income tax rate of 17% (2023 - 17%)	**(349)**	(331)
Non-taxable income[(i)]	**(168)**	(971)
Non-deductible expenses[(ii)]	**799**	1,527
Losses of subsidiaries under liquidation	**-**	3
Deferred tax benefits not recognised	**90**	153
Over provision of income tax in prior years	**(16)**	(64)
Exempt income and tax rebate	**(35)**	(35)
Withholding tax expense	**-**	25
Others	**26**	27
	347	334

(i) Non-taxable income comprises mainly tax impact on accounting gain on derecognition of subsidiaries upon loss of control of $NIL (2023 - $5,685,000).

(ii) Non-deductible expenses comprise mainly tax impact on impairment loss on associate of $2,534,000 (2023 - $NIL), impairment loss on non-trade amount due from former subsidiaries of $NIL (2023 – $48,000), amounts due from former subsidiaries of $NIL (2023 - $2,984,000) written off and loss on disposal of a subsidiary $NIL (2023 – $1,982,000) and other disallowed expenses incurred in the ordinary course of business.

Unutilised tax losses and temporary differences

Subject to the agreement by the tax authorities, the Group has unutilised tax losses of $3.43 million (2023 - $2.90 million) and other temporary differences of $0.65 million (2023 - $1.11 million) available for offset against future profits. Deferred tax assets of approximately $317,000 (2023 - $396,000) have been recognised in respect of $1.25 million (2023 – $1.25 million) of these unutilised tax losses and $0.62 million (2023 – $1.08 million) of these temporary differences. No deferred tax asset has been recognised in respect of the remaining $2.18 million (2023 - $1.65 million) of tax losses and $0.03 million (2023 - $0.03 million) of temporary differences due to the unpredictability of future profit streams. The tax losses and temporary differences may be carried forward indefinitely subject to the conditions imposed by law including the retention of majority shareholders as defined. Deferred tax asset of $317,000 was reclassified to disposal group held for sale (Note 12).

34 PROFIT FOR THE YEAR FROM DISCONTINUED OPERATIONS

(i) On 6 August 2024, the Group accepted a binding offer from Re Sustainability Limited to acquire 50.10% of the issued and paid-up share capital in G3 Environmental Private Limited for a consideration of S$11,022,000 via its subsidiary, Re Sustainability International (Singapore) Pte. Ltd.

Subsequently, on 16 October 2024, the Group entered into a sale and purchase agreement (the "SPA") for the disposal, and the disposal was then completed on 13 November 2024.

The results from G3 Environmental were not previously presented as discontinued operation for the year ended 30 September 2023. Thus, the comparative statement of profit or loss has been re-presented to show the discontinued operation separately from continuing operations. The results of the discontinued operation, which have been included in the profit for the year, were as follows:

	G3 Environmental	
	2024	2023
Group	**$'000**	$'000
Revenue	**29,000**	28,863
Cost of sales	**(23,893)**	(24,509)
Gross profit	**5,107**	4,354
Other operating income	**596**	615
Administrative expenses	**(2,468)**	(2,290)
Other operating expenses	**-**	(164)
Finance costs	**(20)**	(35)
Impairment loss on financial assets	**(64)**	(322)
Impairment loss on financial assets written back	**-**	171
Profit before tax	**3,151**	2,329
Income tax expense	**(316)**	(370)
Profit for the year	**2,835**	1,959

The cash flows attributable to discontinued operations of G3 Environmental are set out below:

	2024	2023
Group	**$'000**	$'000
Net cash from operating activities	**3,978**	2,417
Net cash used in investing activities	**(3,788)**	(1,218)
Net cash used in financing activities	**(600)**	(969)
Net cash (outflows)/inflows	**(410)**	230

(ii) As disclosed in Note 12 to the financial statements, as part of the Company's Scheme of Arrangement, the Group is expected to dispose of 21.05% equity interest in associate, PowerSource Philippines Distributed Power Holdings, Inc. ("Powersource") by the long stop date of 31 December 2025. The Group has accounted Powersource as discontinued operations and the share of results for the year from Powersource are as follows:

	Powersource	
	2024	2023
Group	**$'000**	$'000
Share of results of associate	**266**	578

The Group recognised an impairment loss of $2,534,000 (2023 - $NIL) to write down the carrying amount of the associate to its fair value less costs to sell before classifying to non-current asset held for sale.

34 PROFIT FOR THE YEAR FROM DISCONTINUED OPERATIONS (CONT'D)

(iii) During FY2022, the Company entered into a sale and purchase agreement (the "SPA") to dispose of PBT Engineering. As such, the engineering and construction operations of the Group was classified as discontinued operations. The disposal of PBT Engineering was completed on 20 February 2023.

The results of the discontinued operations and re-measurement of the respective disposal group is as follows:

Group	PBT Engineering 2023 $'000
Revenue	11,116
Cost of sales	(10,532)
Gross profit	584
Other operating income	16
Administrative expenses	(573)
Other operating expenses	(4)
Finance costs	(4)
Loss on disposal of a subsidiary (Note 38)	(1,982)
Financial guarantee liabilities adjustments (Note 24)	514
Loss before tax	(1,449)
Income tax expense	-
Loss for the year	(1,449)

The cash flows attributable to discontinued operations of PBT Engineering are set out below:

Group	2023 $'000
Net cash from operating activities	321
Net cash used in investing activities	(4)
Net cash used in financing activities	-
Net cash inflows	317

The fair value of identifiable assets and liabilities of PBT Engineering at date of disposal are disclosed in Note 38 to the financial statements.

35 PROFIT/(LOSS) FOR THE YEAR

Profit/(loss) for the year has been arrived at after charging/(crediting):

	Continuing operations		Discontinued operations		Total	
	2024	2023 Re-presented	**2024**	2023 Re-presented	**2024**	2023
Group	**$'000**	$'000	**$'000**	$'000	**$'000**	$'000
Directors' remuneration:						
Directors of the Company	**370**	532	**-**	-	**370**	532
Directors of the subsidiaries	**-**	-	**499**	549	**499**	549
Employee benefits expense (including directors' remuneration)	**791**	1,460	**7,943**	8,600	**8,734**	10,060
Costs of defined contribution plans included in employee benefits expense	**62**	107	**396**	475	**458**	582
Audit fees:						
Auditors of the Company:						
- current year	**80**	128	**73**	72	**153**	200
- adjustment in respect of prior year	**2**	2	**-**	-	**2**	2
Other auditors:						
- current year	**-**	-	**-**	22	**-**	22
Non-audit fees:						
Auditors of the Company:						
- current year	**7**	7	**-**	-	**7**	7
- adjustment in respect of prior year	**17**	13	**-**	-	**17**	13
Non-audit fees:						
Other auditors:						
- current year	**7**	8	**13**	13	**20**	21
- adjustment in respect of prior year	**3**	3	**1**	2	**4**	5

35 PROFIT/(LOSS) FOR THE YEAR (CONT'D)

Profit/(loss) for the year has been arrived at after charging/(crediting) (Cont'd):

	Continuing operations		Discontinued operations		Total	
	2024	2023 Re-presented	**2024**	2023 Re-presented	**2024**	2023
Group	**$'000**	$'000	**$'000**	$'000	**$'000**	$'000
Amortisation of deferred commission expenses*	**9**	9	**-**	-	**9**	9
Depreciation of property, plant and equipment, including ROU assets	**697**	702	**1,335**	1,667	**2,032**	2,369
Trade receivables written off	**-**	12	**-**	-	**-**	12
Other receivables written off	**-**	15	**-**	151	**-**	166
Due from former subsidiaries written off	**-**	2,984	**-**	-	**-**	2,984
Reversal of impairment loss on property, plant and equipment (Note 16)	**(130)**	-	**-**	-	**(130)**	-
Impairment loss on associate (Note 13)	**-**	-	**2,534**	-	**2,534**	-
Impairment loss on property, plant and equipment (Note 16)	**-**	225	**-**	-	**-**	225
Impairment loss on financial assets						
- Trade receivables (Note 8)	**-**	-	**58**	274	**58**	274
- Other receivables (Note 9)	**-**	-	**6**	48	**6**	48
	-	-	**64**	322	**64**	322
Impairment loss on financial assets written back						
- Trade receivables (Note 8)	**-**	-	**-**	(171)	**-**	(171)
- Other receivables (Note 9)	**(36)**	-	**-**	-	**(36)**	-
Gain on de-recognition of subsidiaries upon loss of control (Note 37)	**-**	(5,685)	**-**	-	**-**	(5,685)
Loss on disposal of a subsidiary (Note 38)	**-**	-	**-**	1,982	**-**	1,982
Financial guarantee liabilities adjustments (Note 24)	**(53)**	-	**-**	(514)	**(53)**	(514)

* Included in cost of sales in the consolidated statement of profit or loss.

35 PROFIT/(LOSS) FOR THE YEAR (CONT'D)

Retirement Benefit Obligations

The employees of the Company and certain of its subsidiaries are members of state-managed retirement benefit plans. The Group is required to contribute a specified percentage of payroll costs to the retirement benefit scheme to fund the benefits. The only obligation of the Group with respect to the retirement benefit plan is to make the specified contributions.

As at 30 September 2024, contributions of $50,000 (2023 - $49,000) due in respect of current year had not been paid over to the plans.

36 LEASES

The Group leases leasehold land and premises, motor vehicles, machinery and tools and office equipment from non-related parties under non-cancellable lease agreements. There are no restrictions placed on the Group by entering into these contracts.

The leases for certain leased premises contain extension years for which the related lease payments has been included in lease liabilities as the Group is reasonably certain to exercise these extension options. The leases for certain leased premises also include termination options. The Group negotiates extension options to provide flexibility in managing the leased assets and align with the Group's business needs.

The Group as lessee

(a) Carrying amounts

ROU assets classified within property, plant and equipment

Group	**2024**	2023
	$'000	$'000
Leasehold land	**1,659**	1,720
Leased premises	**-**	252
Motor vehicles	**-**	37
Machinery and tools	**-**	61
Office equipment	**-**	13
	1,659	2,083

(b) Depreciation charge during the year

Group	**Year ended 30 September 2024**	Year ended 30 September 2023
	$'000	$'000
Leasehold land and building	**155**	58
Leased premises	**303**	355
Motor vehicles	**31**	20
Machinery and tools	**32**	56
Office equipment	**5**	4
	526	493

36 LEASES (CONT'D)

The Group as lessee (Cont'd)

(c) Additions/remeasurement of ROU assets during the financial year were $6,952,000 (2023 - $127,000).

(d) Information regarding the Group's and the Company's lease liabilities are disclosed in Note 22.

The Group as lessor

The Group rent out its leasehold properties under operating lease to outside parties. Property rental income earned by the Group during the year was $286,000 (2023 - $273,000).

The future minimum rental receivables under non-cancellable operating leases contracted for at the reporting date are as follows:

Group	**2024**	2023
	$'000	$'000
Undiscounted lease payments to be received:		
- Year 1	**298**	237
- Year 2	**84**	215
- Year 3	**84**	-
- Year 4	**34**	-
	500	452

37 DE-RECOGNITION OF SUBSIDIARIES UPON LOSS OF CONTROL

Arrow Waste Management Pte Ltd

On 5 December 2022, the Company had placed Arrow Waste Management Pte Ltd ("AWM") under CVL as disclosed in Note 1(c) to the financial statements. Accordingly, consolidation of AWM ceased when the Company ceased to control AWM. The fair value of identifiable assets and liabilities were as follows:

AWM	As at 5 December 2022
	$'000
Effects on de-recognition	
Cash and cash equivalents	-*
Other receivables	-*
Trade payables and other payables	(5,685)
Net identifiable liabilities de-recognised	(5,685)
Gain on de-recognition	5,685
	-
Cash and cash equivalents disposed of	-*
Net cash outflow from the de-recognition upon loss of control	-*

**denotes amount less than $1,000.*

The CVL of AWM was completed on 1 September 2023.

Net gain on de-recognition of subsidiary upon loss of control amounted to $5,685,000 (Note 35) for financial year ended 30 September 2023.

38 DISPOSAL OF A SUBSIDIARY

The Company disposed of its entire stake in PBT Engineering in prior year. Effect of the disposal of subsidiary on the consolidated statement of cash flows are as follow:

PBT Engineering	**As at 20 February 2023**
	$'000
Effects on disposal	
Cash and cash equivalents	1,410
Trade receivables	3,557
Other receivables	26,055
Contract assets	6,985
Property, plant and equipment	16
Trade payables	(35,331)
Other payables	(1,248)
Loan from director and investor	(300)
Contract liabilities	(1,471)
Provisions	(27)
Net identifiable assets disposed of	(354)
Financial guarantees liabilities (Note 24)	2,336
Loss on disposal (Note 34)	(1,982)
Consideration, net of transaction costs (Note A)	-
Cash and bank balances disposed of	(1,410)
Net cash outflow from the disposal of a subsidiary	(1,410)
Note A	
Consideration	18
Transaction costs	(18)
Net consideration	-

39 DISPOSAL GROUP CLASSIFIED AS HELD FOR SALE AND DISCONTINUED OPERATIONS

During the financial year, the Company accepted a binding offer to dispose G3 Environmental. In addition, Powersource was classified as held for sale as part of the Company's Scheme of Arrangement. As such, the infrastructure operations from G3 Environmental and the share of results of Powersource were presented separately on the statement of profit and loss and other comprehensive income as "Discontinued Operations".

The effects of the re-presentation of the comparative figures are as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Group		
	2023 as previously presented	Reclassification	2023 as Re-presented
	$'000	$'000	$'000
<u>Continuing operations</u>			
Revenue	29,152	(28,863)	289
Cost of sales	(24,614)	24,509	(105)
Gross profit	4,538	(4,354)	184
Gain on de-recognition of a subsidiary upon loss of control	5,685	-	5,685
Other operating income	1,050	(615)	435
Administrative expenses	(7,396)	2,290	(5,106)
Other operating expenses	(3,387)	164	(3,223)
Share of results of associates	578	(578)	-
Finance costs	(840)	35	(805)
Impairment loss on financial assets	(322)	322	-
Impairment loss on financial assets written back	171	(171)	-
Profit/(loss) before taxation	77	(2,907)	(2,830)
Income tax (expense)/credit	(334)	370	36
Loss for the year from continuing operations	(257)	(2,537)	(2,794)
(Loss)/profit for the year from discontinued operations, net of tax	(1,449)	2,537	1,088
Loss for the year	(1,706)	-	(1,706)
Other comprehensive loss			
<u>Items that may be reclassified subsequently to profit or loss</u>			
Foreign currency translation differences of associate	(63)	63	-
Foreign currency translation differences from discontinued operations	-	(63)	(63)
Other comprehensive loss for the year, at nil tax	(63)	-	(63)
Total comprehensive loss for the year	(1,769)	-	(1,769)

STATEMENT OF CASH FLOWS

	Group		
	2023 as previously presented	Reclassification	2023 as Re-presented
	$'000	$'000	$'000
Operating activities			
Profit/(loss) before tax from continuing operations	77	(2,907)	(2,830)
(Loss)/profit before tax from discontinued operations	(1,449)	2,907	1,458

40 ADOPTION OF NEW AND REVISED STANDARDS

On 1 October 2023, the Group and the Company adopted all the new and revised SFRS(I) pronouncements that are relevant to its operations. The adoption of these new/revised SFRS(I) pronouncements does not result in changes to the Group's and the Company's accounting policies and has no material effect on the amounts reported for current or prior years except as discussed as below:

Reference	**Description**	**Effective date (Annual periods beginning on or after)**
SFRS(I) 17	Insurance Contracts	1 January 2023
Amendments to SFRS(I) 1-1 And SFRS(I) Practice Statement 2	Disclosure of Accounting Policies	1 January 2023
Amendments to SFRS(I) 1-8	Definition of Accounting Estimates	1 January 2023
Amendments to SFRS(I) 1-12	Deferred Tax related to Assets and Liabilities arising from a Single	1 January 2023
Amendments to SFRS(I) 1-12	International Tax Reform – Pillar Two Model Rules	1 January 2023

SFRS(I) 17 Insurance Contracts

SFRS(I) 17 is a new comprehensive accounting standard for insurance contracts covering recognition, measurement, presentation and disclosure. When effective, SFRS(I) 17 shall replace SFRS(I) 4 *Insurance Contracts*. SFRS(I) 17 applies to all types of insurance contracts (such as life, non-life, direct insurance and re-insurance), regardless of the type of entities that issue them, as well as certain guarantees and financial instruments with discretionary participation features. A few scope exceptions are applicable. The overall objective of SFRS(I) 17 is to provide an accounting model for insurance contracts that is more useful and consistent for insurers. In contrast to the requirements in SFRS(I) 4, which are largely based on grandfathering previous local accounting policies, SFRS(I) 17 provides a comprehensive model for insurance contracts covering all relevant accounting aspects. The core of SFRS(I) 17 is the general model, supplemented by a specific adaptation for contracts with direct participation features (the variable fee approach) and a simplified approach (the premium allocation approach) mainly for short-duration contracts. The general model uses current assumptions to estimate the amount, timing and uncertainty of future cash flows, explicitly measures the cost of that uncertainty, and takes into account market interest rates and the impact of policyholders' options and guarantees.

SFRS(I) 17 are applied retrospectively, unless impracticable, in which case the modified retrospective approach or the fair value approach is applied. For the purpose of the transition requirements, the date of initial application is the beginning of the reporting period in which SFRS(I) 17 is first applied, and the transition date is the beginning of the period immediately preceding the date of initial application.

There is no impact on the financial statements as the Group does not have such contracts in scope of SFRS(I) 17 as at the reporting date

40 ADOPTION OF NEW AND REVISED STANDARDS (CONT'D)

Amendments to SFRS(I) 1-1 and SFRS(I) Practice Statement 2 Disclosure of Accounting Policies

The amendments provide guidance and examples to help a reporting entity apply materiality judgement to accounting policy disclosures. The amendments aim to help the entity to provide accounting policy disclosures that are more useful by replacing the requirement to disclose 'significant' accounting policies with a requirement to disclose 'material' accounting policies and by adding guidance on how the entity applies the concept of materiality in making decisions about accounting policy disclosures.

The amendments to SFRS(I) 1-1 are applied prospectively. The amendments to SFRS(I) Practice Statement 2 do not contain an effective date or transition requirements.

There is no financial impact on the financial statements on adoption of these amendments. The material accounting policy information (2023: Significant accounting policies) in Note 2 were updated in line with the amendments.

Amendments to SFRS(I) 1-8 Definition of Accounting Estimates

The amendments replace the definition of 'change in accounting estimates' with a definition of 'accounting estimates'. The amendments clarify the distinction between change in accounting estimates and change in accounting policies and correction of errors, and that entities use measurement techniques and inputs to develop accounting estimates.

The amendments are applied to changes in accounting policies and changes in accounting estimates that occur on or after the beginning of the period of initial application.

There is no impact on the financial statements as there have been no such changes in accounting policies and changes in accounting estimates during the period.

Amendments to SFRS(I) 1-12 Deferred Tax related to Assets and Liabilities arising from a Single Transaction

The amendments introduce a further exception from the initial recognition exemption. Under the amendments, a reporting entity does not apply the initial recognition exemption for transactions that give rise to equal taxable and deductible temporary differences.

The Group has adopted the amendments from 1 January 2023. The amendments are applied to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, at the beginning of the earliest comparative period presented, deferred tax asset and deferred tax liability shall be recognised for all deductible and taxable temporary differences associated with leases and decommissioning obligations.

There is no material impact on the financial statements.

Amendments to SFRS(I) 1-12 International Tax Reform – Pillar Two Model Rules

The amendments give companies temporary relief from accounting for deferred taxes arising from the Organisation for Economic Co-operation and Development's (OECD) international tax reform.

The OECD published the Pillar Two model rules in December 2021 to ensure that large multinational companies would be subject to a minimum 15% tax rate.

40 ADOPTION OF NEW AND REVISED STANDARDS (CONT'D)

Amendments to SFRS(I) 1-12 International Tax Reform – Pillar Two Model Rules (Cont'd)

The amendments will introduce:

- a temporary exception – to the accounting for deferred taxes arising from jurisdictions implementing the global tax rules. This will help to ensure consistency in the financial statements while easing into the implementation of the rules; and

- targeted disclosure requirements – to help investors better understand a company's exposure to income taxes arising from the reform, particularly before legislation implementing the rules is in effect.

Companies can benefit from the temporary exception immediately but are required to provide the disclosures to investors for annual reporting periods beginning on or after 1 January 2023.

There is no impact on the financial statements as the Group's consolidated revenue is less than EUR 750 million each for financial years ended 30 September 2023 and 2022, and thus, it is not in scope of the Pillar Two model rules.

41 STANDARDS ISSUED BUT NOT EFFECTIVE

At the date of authorisation of these financial statements, the following SFRS(I) pronouncements relevant to the Group and the Company were issued but not effective.

Reference	**Description**	**Effective date (Annual periods beginning on or after)**
Amendment to SFRS(I) 16	*Lease Liability in a Sale and Leaseback*	1 January 2024
Amendments to SFRS(I) 1-1	*Classification of Liabilities as Current or Non-current*	1 January 2024
Amendments to SFRS(I) 1-1	*Non-current Liabilities with Covenants*	1 January 2024
Amendments to SFRS(I) 1-7 and SRFS(I) 7	Supplier Finance Arrangement	1 January 2024
Amendments to SFRS(I) 1-21	*Lack of Exchangeability*	1 January 2025
Amendments to SFRS(I) 9 and SFRS(I) 7	*Classification and Measurement of Financial Instruments*	1 January 2026
Amendments to SFRS(I) 9 and SFRS(I) 7	*Contracts Referencing Nature-dependent Electricity*	1 January 2026
Annual Improvements to SFRS(I) – Volume 11		1 January 2026
SFRS(I) 18	*Presentation and Disclosure in Financial Statements*	1 January 2027
SFRS(I) 19	*Subsidiaries without Public Accountability: Disclosures*	1 January 2027
Amendments to SFRS(I) 10 and SFRS(I) 1-28	*Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*	Yet to be Determined

Management anticipates that the adoption of the standards above will not have a material impact on the financial statements of the Group in the year of their initial adoption.

42 SUBSEQUENT EVENTS

Subsequent to the end of financial year, the following events have taken place:

(i) Disposal of G3 Environmental

On 6 August 2024, the Group accepted a binding offer from Re Sustainability Limited to acquire 50.10% of the issued and paid-up share capital in G3 Environmental Private Limited for a consideration of S$11,022,000 via its subsidiary, Re Sustainability International (Singapore) Pte. Ltd.

Subsequently, on 16 October 2024, the Group entered into a sale and purchase agreement (the "SPA") for the disposal, and the disposal was then completed on 13 November 2024.

The net proceeds were utilized to fully discharge the Company's obligations to the secured creditors.

(ii) Change of name of the Company

The Company changed its name from "TEE International Limited" to "Merak Holdings Limited". This reflects the Company's evolution and transformation following its restructuring post-delisting. The Change of Name was approved by majority shareholders through an Extraordinary General Meeting ("EGM") held on 11 November 2024.

(iii) Rights issue exercise

Pursuant to an EGM held on 11 November 2024, the shareholders of the Company approved a renounceable right issue (the "Rights Issue") of up to 3,234,412,380 new ordinary shares (the "Rights Shares") at an issue price of S$0.00203 for each Rights Share, on the basis of five Rights Shares for every one existing ordinary share held by an existing shareholder. The Rights Issue was in December 2024.

The proceeds of $4,329,000 from the Rights issue will be utilized for, inter alia, the repayment of the outstanding obligations owed to the Scheme Creditors and the working capital of the Company.