

MERAK HOLDINGS LIMITED AND ITS SUBSIDIARIES

(Incorporated in the Republic of Singapore)

(Company Registration Number: 200007107D)

**AUDITED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2025**

MERAK HOLDINGS LIMITED AND ITS SUBSIDIARIES
(Incorporated in the Republic of Singapore)

AUDITED FINANCIAL STATEMENTS
For the Financial Year Ended 30 September 2025

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The directors are pleased to present their statement to the members together with the consolidated financial statements of Merak Holdings Limited (the "Company") and its subsidiaries (collectively, the "Group") for the financial year ended 30 September 2025, and the statement of financial position of the Company as at 30 September 2025 and statement of changes in equity of the Company for the financial year ended 30 September 2025.

In the opinion of the directors,

- (a) the consolidated financial statements of the Group, and the statement of financial position and statement of changes in equity of the Company are drawn up so as to give a true and fair view of the financial position of the Company and of the Group as at 30 September 2025, and the financial performance, changes in equity and cash flows of the Group and changes in equity of the Company for the financial year then ended; and
- (b) at the date of this statement, after considering the measures taken by the Group and the Company with respect to the Group's and the Company's ability to continue as going concerns as described in Note 2.1 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.

Directors

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

Phua Cher Chuan
Chan Chun Tat, Daryl (Zeng Junda) (appointed on 6 December 2024)

Arrangements to enable directors to acquire shares or debentures

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

Directors' interests in shares or debentures

According to the register of directors' shareholdings kept by the Company under section 164 of the Singapore Companies Act 1967 (the Act), the directors of the Company who held office at the end of the financial year had no interests in the shares or debentures of the Company and its related corporations except as stated below:

Name of director	Direct interest	
	At 1 October 2024	At 30 September 2025
<u>The Company</u> (No. of ordinary shares)		
Phua Cher Chuan	3,864	77,789,408

Share options

There were no share options granted during the financial year to subscribe for unissued shares of the Company or any corporation in the Group.

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

There were no unissued shares of the Company or any corporation in the Group under options as at the end of the financial year.

Independent auditor

The independent auditor, Anchorage Assurance, has expressed its willingness to accept re-appointment.



Phua Cher Chuan
Director



Chan Chun Tat, Daryl (Zeng Junda)
Director

14 April 2026

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MERAK HOLDINGS LIMITED AND ITS SUBSIDIARIES

Report on the Audit of the Financial Statements

Disclaimer of Opinion

We were engaged to audit the financial statements of Merak Holdings Limited (the "Company") and its subsidiaries (the "Group"), which comprise the consolidated statement of financial position of the Group and statement of financial position of the Company as at 30 September 2025, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group and statement of changes in equity of the Company for the financial 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 of the Group and the statement of financial position and statement of changes in equity of the Company. 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

(1) Opening balance as at 1 October 2024

The predecessor auditor expressed a disclaimer of opinion on the consolidated financial statements of the Group as at and for the financial year ended 30 September 2024 and 2023. The disclaimer arose primarily from limitations in the scope of audit procedures relating to opening balances.

We were unable to obtain sufficient appropriate audit evidence regarding the opening balances as at 1 October 2024. Consequently, we could not determine whether any adjustments might be necessary to the amounts and disclosures presented in the financial statements for the financial year ended 30 September 2024, as well as the corresponding opening balances.

As the opening balances as at 1 October 2024 form the basis for determining the financial position of the Group and of the Company as at 30 September 2025, financial performance and cash flows of the Group, changes in equity of the Group and of the Company for the financial year ended 30 September 2025, we were unable to determine whether any adjustments, if any, might be required in respect of the current year's financial statements.

Accordingly, our opinion on the financial statements for the financial year ended 30 September 2025 is modified due to the possible effects of these matters on the comparability of the current year's financial statements with those of the prior year.

Basis for Disclaimer of Opinion

(2) Appropriateness of going concern assumption

The Group incurred a net loss of S\$332,000 from continuing operations during the financial year ended 30 September 2025 and, as of that date, the Group's and the Company's total liabilities exceeded their total assets by S\$138,118,000 and S\$148,406,000, respectively; and the Group's and the Company's current liabilities exceeded their current assets by S\$156,921,000 and S\$148,424,000, respectively. These events or conditions indicate that a material uncertainty exists that may cast significant doubt about the Group's and the Company's ability to continue as going concerns.

In evaluating management's assessment of the Group's and Company's ability to continue as going concerns, we were unable to obtain sufficient appropriate audit evidence to satisfy ourselves on the Group's ability to generate sufficient operating cash inflows nor the financial capacity of the holding company to provide the financial support as disclosed in Note 2.1. In consideration of the extent of reliance placed on the financial support of the holding company to enable the Group and Company to continue as going concerns in the foreseeable future, in the absence of further information, we are unable to ascertain the appropriateness of the management's use of the going concern assumption in their preparation of the financial statements.

If 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 their 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 reclassify non-current assets and liabilities as current assets and liabilities. No such adjustments have been made to these financial statements.

Other Matter

The consolidated financial statements of the Group for the financial year ended 30 September 2024 were audited by another firm of auditors who expressed a disclaimer opinion on those statements on 14 July 2025.

Responsibilities of Management and Directors for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and 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 concerns 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.

Report on Other Legal and Regulatory Requirements

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.

Anchorage Assurance

Anchorage Assurance
Public Accountants and
Chartered Accountants

Singapore

14 April 2026

	Note	Group		Company	
		2025 S\$'000	2024 S\$'000	2025 S\$'000	2024 S\$'000
ASSETS					
Non-current assets					
Property, plant and equipment	4	20,374	19,324	18	16
Intangible assets	5	–	–	–	–
Investments in subsidiaries	6	–	–	–	–
Investment in an associate	7	–	–	–	–
Deferred tax assets	8	–	–	–	–
Other receivables	9	126	136	–	–
		<u>20,500</u>	<u>19,460</u>	<u>18</u>	<u>16</u>
Current assets					
Trade receivables	10	19	63	–	–
Other receivables	9	345	365	11,952	12,741
Cash and cash equivalents	11	41	2,097	19	38
		<u>405</u>	<u>2,525</u>	<u>11,971</u>	<u>12,779</u>
Assets of disposal group classified as held for sale	12	160	25,572	–	–
		<u>565</u>	<u>28,097</u>	<u>11,971</u>	<u>12,779</u>
Total assets		<u>21,065</u>	<u>47,557</u>	<u>11,989</u>	<u>12,795</u>
EQUITY AND LIABILITIES					
Equity					
Share capital	13	79,117	73,194	79,117	73,194
Treasury shares	14	(269)	(269)	(269)	(269)
Currency translation reserve	15	(1,178)	(1,178)	–	–
Capital reserve	16	–	–	(274)	(274)
Accumulated losses		(215,788)	(215,158)	(226,980)	(226,280)
Equity attributable to the owners of the company		<u>(138,118)</u>	<u>(143,411)</u>	<u>(148,406)</u>	<u>(153,629)</u>
Non-controlling interests		–	2,195	–	–
Total equity		<u>(138,118)</u>	<u>(141,216)</u>	<u>(148,406)</u>	<u>(153,629)</u>

	Note	Group		Company	
		2025 S\$'000	2024 S\$'000	2025 S\$'000	2024 S\$'000
Non-current liabilities					
Lease liabilities	17	1,697	1,754	–	–
Deferred tax liabilities	8	–	–	–	–
		<u>1,697</u>	<u>1,754</u>	<u>–</u>	<u>–</u>
Current liabilities					
Trade payables	18	3	–	–	–
Other payables	19	58,980	63,428	62,088	64,701
Provisions	20	257	1,280	95	1,123
Lease liabilities	17	51	40	17	17
Borrowings	21	–	9,478	–	–
Financial guarantee liabilities	22	98,186	100,386	98,186	100,386
Income tax payable		9	195	9	197
		<u>157,486</u>	<u>174,807</u>	<u>160,395</u>	<u>166,424</u>
Liabilities associated with disposal group classified as held for sale	12	–	12,212	–	–
		<u>157,486</u>	<u>187,019</u>	<u>160,395</u>	<u>166,424</u>
Total liabilities		<u>159,183</u>	<u>188,773</u>	<u>160,395</u>	<u>166,424</u>
Total equity and liabilities		<u>21,065</u>	<u>47,557</u>	<u>11,989</u>	<u>12,795</u>

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

	Note	Group	
		2025 S\$'000	2024 S\$'000
Continuing operations			
Revenue	23	470	362
Cost of sales		(108)	(106)
Gross profit		362	256
Other operating income	24	1,833	813
Expenses			
- Administrative		(2,200)	(2,667)
- Others	25	(68)	(4)
- Finance	26	(242)	(1,065)
Loss before income tax	27	(315)	(2,667)
Income tax expense	28	(17)	(31)
Loss from continuing operations		(332)	(2,698)
Discontinued operations			
(Loss)/profit from discontinued operations, net of tax			
- G3 Environmental Private Limited	12	2,412	2,835
- PowerSource Philippines Distributed Power Holdings, Inc.	12	(2,574)	(2,268)
		(162)	567
Total loss for the financial year		(494)	(2,131)
Other comprehensive loss, net of tax:			
<i>Items that may be reclassified subsequently to profit or loss:</i>			
- Foreign currency translation differences from discontinued operations		-	(271)
Other comprehensive loss for the financial year		-	(271)
Total comprehensive loss for the financial year, net of tax		(494)	(2,402)
Profit/(loss) attributable to:			
- Equity holders of the Company		(630)	(3,161)
- Non-controlling interests		136	1,030
		(494)	(2,131)
Loss attributable to equity holders of the Company relates to:			
- Loss from continuing operations		(332)	(2,698)
- Loss from discontinued operations		(298)	(463)
		(630)	(3,161)
Total comprehensive income/(loss) attributable to:			
- Equity holders of the Company		(630)	(3,432)
- Non-controlling interests		136	1,030
		(494)	(2,402)

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

Merak Holdings Limited and its Subsidiaries
Audited Financial Statements

Statement of Changes in Equity
For the Financial Year Ended 30 September 2025

Group	Attributable to the equity holders of the parent				Total S\$'000	Non- controlling interests S\$'000	Total equity S\$'000
	Share capital S\$'000	Treasury shares S\$'000	Currency translation reserve S\$'000	Accumulated losses S\$'000			
2025							
Beginning of financial year	73,194	(269)	(1,178)	(215,158)	(143,411)	2,195	(141,216)
(Loss)/profit for the financial year	-	-	-	(630)	(630)	136	(494)
Other comprehensive loss for the financial year	-	-	-	-	-	-	-
Total comprehensive (loss)/income for the financial year	-	-	-	(630)	(630)	136	(494)
Issuance of ordinary shares (Note 13)	5,923	-	-	-	5,923	-	5,923
Conversion of loan from NCI into equity in a subsidiary without a change in control (Note 12)	-	-	-	-	-	6,188	6,188
Disposal of a subsidiary (Note 11)	-	-	-	-	-	(8,519)	(8,519)
End of financial year	79,117	(269)	(1,178)	(215,788)	(138,118)	-	(138,118)
2024							
Beginning of financial year	73,194	(269)	(907)	(211,997)	(139,979)	1,165	(138,814)
(Loss)/profit for the financial year	-	-	-	(3,161)	(3,161)	1,030	(2,131)
Other comprehensive loss for the financial year	-	-	(271)	-	(271)	-	(271)
Total comprehensive (loss)/income for the financial year	-	-	(271)	(3,161)	(3,432)	1,030	(2,402)
End of financial year	73,194	(269)	(1,178)	(215,158)	(143,411)	2,195	(141,216)

Company	Share capital S\$'000	Treasury shares S\$'000	Capital reserve S\$'000	Accumulated losses S\$'000	Total equity S\$'000
2025					
Beginning of financial year	73,194	(269)	(274)	(226,280)	(153,629)
Loss for the financial year	–	–	–	(700)	(700)
Issuance of ordinary shares (Note 13)	5,923	–	–	–	5,923
End of financial year	<u>79,117</u>	<u>(269)</u>	<u>(274)</u>	<u>(226,980)</u>	<u>(148,406)</u>
2024					
Beginning of financial year	73,194	(269)	(274)	(227,918)	(155,267)
Profit for the financial year	–	–	–	1,638	1,638
End of financial year	<u>73,194</u>	<u>(269)</u>	<u>(274)</u>	<u>(226,280)</u>	<u>(153,629)</u>

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

	Note	Group	
		2025 S\$'000	2024 S\$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Loss before income tax from continuing operations		(315)	(2,667)
(Loss)/profit before income tax from discontinued operations		(106)	883
		<u>(421)</u>	<u>(1,784)</u>
<i>Adjustments for:</i>			
Share of results of an associate	12	–	(266)
Provision for restructuring costs	20	–	15
Depreciation of property, plant and equipment	4	702	2,032
Impairment loss on trade receivables	10	–	58
Impairment loss on other receivables	9	–	6
Impairment loss on other receivables written back	9	–	(36)
Gain on disposal of property, plant and equipment		–	(42)
Reversal of impairment loss on property, plant and equipment	24	(1,749)	(130)
Impairment loss of investment in an associate	7	2,574	2,534
Financial guarantee liabilities adjustments	22	–	(53)
Other receivables written off	25	68	–
Other payables written back	24	–	(550)
Guarantee fee		–	100
Unrealised currency translation loss		–	3
Gain on disposal of a subsidiary	12	(2,048)	–
Interest expense		242	1,085
Interest income		(46)	(245)
		<u>(678)</u>	<u>2,727</u>
Operating (loss)/profit before working capital changes, net of effects from disposal of a subsidiary:			
<i>Changes in operating assets and liabilities:</i>			
Trade receivables		395	(405)
Other receivables		(360)	100
Inventories		3	(7)
Contract assets		5	95
Trade payables		110	(47)
Other payables		(199)	1,021
Contract liabilities		(6)	6
Financial guarantee liabilities		(2,200)	–
		<u>(2,930)</u>	<u>3,490</u>
Cash (used in)/generated from operations			
Income tax paid		(179)	(397)
		<u>(3,109)</u>	<u>3,093</u>
Net cash flows (used in)/generated from operating activities			
CASH FLOWS FROM INVESTING ACTIVITIES			
Withdrawal of fixed deposits		–	3,500
Proceeds from disposal of property, plant and equipment		–	240
Disposal of a subsidiary, net of cash disposed of	11	3,100	–
Purchase of property, plant and equipment	A	(3)	(7,744)
Repayment from finance lease receivables		10	11
Interest received		51	201
		<u>3,158</u>	<u>(3,792)</u>
Net cash flows generated from/(used in) investing activities			

	Note	Group	
		2025 S\$'000	2024 S\$'000
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of long-term borrowings		(9,478)	(743)
Decrease/(increase) in fixed deposits pledged		3,700	(200)
Decrease in amount due from former immediate holding company of a subsidiary		–	144
Repayment of principal portion of lease liabilities		(78)	(432)
Repayment of amount due to former subsidiaries		(1,099)	–
(Repayment of)/loan from a related party		(1,630)	1,430
Repayment of loan from shareholder		(228)	–
Loan from third party		704	1,070
Repayment to former immediate holding company of a subsidiary		(1,652)	(174)
Proceeds from issuance of ordinary shares		4,329	–
Interest paid		(155)	(786)
Net cash flows (used in)/generated from financing activities		(5,587)	309
Net decrease in cash and cash equivalents		(5,538)	(390)
Cash and cash equivalents at beginning of financial year		5,579	5,969
Cash and cash equivalents at end of financial year	11	41	5,579

Note A

During the financial year, the Group acquired property, plant and equipment with an aggregate cost of S\$3,000 (2024: S\$7,998,000) of which Nil (2024: S\$7,998,000) was included in disposal group. In 2024, additions of S\$107,000 related to provision for restoration costs and S\$147,000 related to remeasurement under lease arrangements. The cash outflow on acquisition of property, plant and equipment and right-of-use assets amounted to S\$3,000 and Nil (2024: S\$939,000 and S\$6,805,000), respectively.

Reconciliation of financial liabilities arising from financing activities

	At 1 October 2024 S\$'000	Cash flows S\$'000	Non-cash changes				At 30 September 2025 S\$'000
			Addition S\$'000	Guarantee fee S\$'000	Accretion of interests S\$'000	Others S\$'000	
Amount due to former immediate holding company of a subsidiary	1,652	(1,652)	-	-	-	-	-
Borrowings	9,478	(9,478)	-	-	-	-	-
Lease liabilities	1,794	(137)	-	-	59	32	1,748
	12,924	(11,267)	-	-	59	32	1,748

	At 1 October 2023 S\$'000	Cash flows S\$'000	Addition S\$'000	Guarantee fee S\$'000	Accretion of interests S\$'000	Reclassified to disposal group held for sale S\$'000	At 30 September 2024 S\$'000
Amount due to former immediate holding company of a subsidiary	1,587	(174)	-	100	139	-	1,652
Borrowings	10,221	(743)	-	-	-	-	9,478
Lease liabilities	2,228	(503)	147	-	71	(149)	1,794
	14,036	(1,420)	147	100	210	(149)	12,924

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

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

1. General

Merak Holdings Limited (the “Company”) is incorporated and domiciled in the Republic of Singapore with its registered office at 25 Bukit Batok Street 22, TEE Building, Singapore 659591.

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 Note 7 and Note 6, respectively.

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.

2. Material accounting policy information

2.1 Basis of preparation

The consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company have been prepared in accordance with Singapore Financial Reporting Standards (International) (“SFRS(I)s”).

The financial statements have been prepared on the historical cost basis except as disclosed in the accounting policies below.

The financial statements are presented in Singapore Dollars (“S\$”), which is the Company's functional currency. All financial information presented in Singapore Dollars has been rounded to the nearest thousand (S\$'000), unless otherwise indicated.

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

Going concern assumption

For the financial year ended 30 September 2025, the Group incurred a net loss of S\$332,000. As at 30 September 2025, the Group's and the Company's total liabilities exceeded their total assets by S\$138,118,000 and S\$148,406,000, respectively. The Group's and the Company's current liabilities exceeded their current assets by S\$156,921,000 and S\$148,424,000, respectively.

The above conditions may cast a significant doubt on the ability of the Group to continue in operational existence for the foreseeable future and to discharge their liabilities in the normal course of business.

2. Material accounting policy information

2.1 Basis of preparation

To support the preparation of the financial statements on a going concern basis, and to ensure the adequacy of funds to meet its obligations, working capital requirements, and capital commitments, management has considered the following:

1. Upon fulfilment of the terms and conditions of the Scheme of Arrangement, the Group will derecognise certain financial liabilities and recognise a gain on debt settlement arising from the Scheme of Arrangement amounting to S\$153,097,000, thereby resulting in a net tangible asset position; and
2. Subsequent to financial year end, the Group has entered into joint venture arrangement to enhance its financial performance and improve operating cash inflows.

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 for a period of at least twelve months from the reporting date. Accordingly, 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 statement of financial position.

Restructuring Exercise

The Company has embarked on 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 of 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 were incorporated into a new scheme of arrangement as part of the overall settlement with creditors. The new scheme of arrangement (the "New Scheme") was proposed to its creditors, which received the requisite majority approval and was sanctioned by the Court on 23 September 2024. The New Scheme has a long stop date of 31 December 2025.

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 dispose of 50.10% of the issued and paid-up share capital of G3 Environmental for a consideration of S\$11,022,000, via its subsidiary, Re Sustainability International (Singapore) Pte. Ltd.. The Company subsequently entered into a sale and purchase agreement on 16 October 2024, and the disposal was completed on 13 November 2024.

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

As part of the New Scheme, a key condition requires the Group to dispose of its 21.05% equity interest in Powersource by the long stop date of 31 December 2025, with any net cash proceeds to be distributed to 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 as at 30 September 2025.

Subsequent to the financial year end, the disposal of Powersource was completed on 19 November 2025.

2. Material accounting policy information

2.1 Basis of preparation

Adoption of new and amended standards and interpretations

The accounting policies adopted are consistent with those of the previous financial year except the in the current financial year, the Group has adopted all the new and amended standards which are relevant to the Group and are effective for annual financial period beginning on 1 October 2024. The adoption of these standards did not have any material on the financial statements of the Group.

Standards issued but not yet effected

The Group has not yet adopted the following standards applicable to the Group that have been issued but not yet effected:

Description	Effective for annual periods beginning on or after
Amendments to SFRS(I) 1-21 <i>The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability</i>	1 January 2025
Amendments to SFRS(I) 9 <i>Financial Instruments</i> and SFRS(I) 7 <i>Financial Instruments: Disclosures: Amendments to the Classification and Measurement of Financial Instruments</i>	1 January 2026
Annual improvements to SFRS(I) – Volume 11	1 January 2026
Amendments to SFRS(I) 9 <i>Financial Instruments</i> and SFRS(I) 7 <i>Financial Instruments: Disclosures: Contracts Referencing Nature-dependent Electricity</i>	1 January 2026
SFRS(I) 18 <i>Presentation and Disclosure in Financial Statements</i>	1 January 2027
SFRS(I) 19 <i>Subsidiaries without Public Accountability: Disclosures</i>	1 January 2027
Amendments to SFRS(I) 10 <i>Consolidated Financial Statements</i> and SFRS(I) 1-28 <i>Investments in Associates and Joint Ventures: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i>	Date to be determined

The directors expect that the adoption of the standards above will have no material impact on the financial statements in the year of initial application.

2.2 Group accounting

(a) Subsidiaries

Consolidation

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

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

2. Material accounting policy information

2.2 Group accounting

(a) Subsidiaries

Consolidation

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

Acquisitions

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

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

Acquisition-related costs are expensed as incurred.

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

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

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

Disposals

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

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

2. Material accounting policy information

2.2 Group accounting

(b) Transactions with non-controlling interests

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

(c) Associates

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

Investments in associates are accounted for in the consolidated financial statements using the equity method of accounting less impairment losses, if any.

Acquisitions

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

Equity method of accounting

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise Group's share of post-acquisition profits or losses of the investee in profit or loss and its share of movements of the investee's other comprehensive income in other comprehensive income. Dividends received or receivable from the associates are recognised as a reduction of the carrying amount of the investments. When the Group's share of losses in an associate equal to or exceeds its interest in the associate, the Group does not recognise further losses, unless it has legal or constructive obligations to make, or has made, payments on behalf of the associate. If the associate subsequently reports profits, the Group resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised. Interest in an associate includes any long-term loans for which settlement is never planned nor likely to occur in the foreseeable future.

Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates. Unrealised losses are also eliminated unless the transactions provide evidence of impairment of the assets transferred. The accounting policies of associates are changed where necessary to ensure consistency with the accounting policies adopted by the Group.

Disposals

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

2. Material accounting policy information

2.3 Currency translation

(a) Functional and presentation currency

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

(b) Transactions and balances

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

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

Foreign exchange gains and losses that relate to borrowings are presented in the income statement within “Finance costs”. All other foreign exchange gains and losses impacting profit or loss are presented in the income statement within “other operating income/(losses)”.

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

(c) Translation of Group entities’ financial statements

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

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

Goodwill and fair value adjustments arising on the acquisition of foreign operations are treated as assets and liabilities of the foreign operations and translated at the closing rates at the reporting date.

2. Material accounting policy information

2.4 Property, plant and equipment

All items of property, plant and equipment are initially recorded at cost. Subsequent to recognition, property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is computed on a straight-line basis over the estimated useful lives of the assets as follows:

Leasehold land and building	- 2.7%
Leasehold 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%

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 carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The residual value, useful life and depreciation method are reviewed at each financial year-end, and adjusted prospectively, if appropriate.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the assets is included in profit or loss in the year the asset is derecognised.

2.5 Intangible assets

Intangible assets acquired separately are measured initially at cost. Following initial acquisition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. Internally generated intangible assets, excluding capitalised development costs, are not capitalised and expenditure is reflected in profit or loss in the year which the expenditure is reflected in profit or loss in the year in which the expenditure is incurred.

The useful lives of intangible assets are assessed to be finite.

Intangible assets with finite useful lives are amortised over the estimated useful lives and assessed for impairment whenever there is indication that the intangible asset may be impaired. The amortisation period and the amortisation method are reviewed at least each financial year-end. Change in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortisation period or method, as appropriate, and are treated as changes in accounting estimates.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in profit or loss when the asset is derecognised.

2. Material accounting policy information

2.6 Investment in subsidiaries and associates

Investments in subsidiaries and associates are carried at cost less accumulated impairment losses in the Company's balance sheet. On disposal of such investments, the difference between disposal proceeds and the carrying amounts of the investments are recognised in profit or loss.

2.7 Impairment of non-financial assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs of disposal and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

Impairment losses are recognised in profit or loss, except for assets that are previously revalued where the revaluation was taken to other comprehensive income. In this case, the impairment is also recognised in other comprehensive income up to the amount of any previous revaluation.

A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in profit or loss unless the asset is measured at revalued amount, in which case the reversal is treated as a revaluation increase.

2.8 Financial instruments

(a) Financial assets

Initial recognition

Financial assets are recognised when, and only when, the Group becomes a party to the contractual provisions of the instruments.

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

Trade receivables are measured at the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third party, if the trade receivables do not contain a significant financing component at initial recognition.

2. Material accounting policy information

2.8 Financial instruments

(a) Financial assets

Subsequent measurements

Investment in debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the contractual cash flow characteristics of the asset. The three measurement categories for classification of debt instruments are amortised cost, fair value through other comprehensive income (FVOCI) and FVPL. The Group only has debt instruments at amortised cost.

Financial assets that are held for the collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Financial assets are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in profit or loss when the assets are derecognised or impaired, and through the amortisation process.

Investments in equity instruments

On initial recognition of an investment in equity instrument that is not held for trading, the Group may irrevocably elect to present subsequent changes in fair value in other comprehensive income which will not be reclassified subsequently to profit or loss. Dividends from such investments are to be recognised in profit or loss when the Group's right to receive payments is established. For investments in equity instruments which the Group has not elected to present subsequent changes in fair value in other comprehensive income, changes in fair value are recognised in profit or loss.

Derecognition

A financial asset is derecognised where the contractual right to receive cash flows from the asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognised in other comprehensive income for debt instruments is recognised in profit or loss.

(b) Financial liabilities

Initial recognition

Financial liabilities are recognised when, and only when, the Group becomes a party to the contractual provisions of the financial instrument. The Group determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value plus in the case of financial liabilities not at FVPL, directly attributable transaction costs.

Subsequent measurement

After initial recognition, financial liabilities that are not carried at FVPL are subsequently measured at amortised cost using the effective interest rate method. Gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

2. Material accounting policy information

2.8 Financial instruments

(b) Financial liabilities

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. On derecognition, the difference between the carrying amounts and the consideration paid is recognised in profit or loss.

2.9 Impairment of financial assets

The Group recognises an allowance for expected credit losses (“ECLs”) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is recognised for credit losses expected over the remaining life of the exposure, irrespective of timing of the default (a lifetime ECL).

For trade receivables, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The Group considers a financial asset in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

2.10 Offsetting of financial instruments

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

2.11 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 value and, if not designated as at FVPL and do not arise from a transfer of a financial asset, are subsequently measured at the higher of:

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

2. Material accounting policy information

2.12 Cash and cash equivalents

Cash and cash equivalents consist of cash at banks, including fixed deposits that are subject to an insignificant risk of changes in value.

2.13 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 an outflow of resources embodying economic benefits will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

2.14 Borrowing costs

Borrowing costs are capitalised as part of the cost of a qualifying asset if they are directly attributable to the acquisition, construction or production of that asset. Capitalisation of borrowing costs commences when the activities to prepare the asset for its intended use or sale are in progress and the expenditures and borrowing costs are incurred. Borrowing costs are capitalised until the assets are substantially completed for their intended use or sale. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other cost that an entity incurs in connection with the borrowing of funds.

2.15 Leases

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

(a) As lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities representing the obligations to make lease payments and right-of-use assets representing the right to use the underlying leased assets.

Right-of-use assets

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

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

2. Material accounting policy information

2.15 Leases

(a) As lessee

Right-of-use assets

Right-of-use assets (except for those which meet the definition of an investment property) are presented within "Property, plant and equipment".

The right-of-use assets are also subject to impairment. The accounting policy for impairment is disclosed in Note 2.7.

Lease liabilities

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

Lease payments include the following:

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

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

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

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

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

2. Material accounting policy information

2.15 Leases

(a) As lessee

Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption (i.e. those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption. Lease payments on short-term leases and leases of low value assets are recognised as expense on a straight-line basis over the lease term.

(b) As lessor

The Group 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 recognised 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) As intermediate lessor in sublease

In classifying a sublease, the Group as an intermediate lessor classifies the sublease as a finance or an operating lease with reference to the right-of-use asset arising from the head lease, rather than 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 right-of-use asset relating to the head lease that it transfers to the sublessee and recognises the net investment in the sublease within "Finance lease receivables". Any differences between the right-of-use asset derecognised and the net investment in sublease is recognised in profit or loss. The 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.

2.16 Share capital

Proceeds from issuance of ordinary shares are recognised as share capital in equity. Incremental costs directly attributable to the issuance of ordinary shares are deducted against share capital.

2. Material accounting policy information

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

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

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

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

2.18 Revenue recognition

Revenue is measured based on the consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Revenue is recognised when the Group satisfies a performance obligation by transferring a promised good or service to the customer, which is when the customer obtains control of the good or service. A performance obligation may be satisfied at a point in time or over time. The amount of revenue recognised is the amount allocated to the satisfied performance obligation.

Sale of goods (from discontinued operation)

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 (from discontinued operation)

The Group provides waste and recycling management services. Such services are recognised as a performance obligation satisfied over time, when control of services is 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.

2. Material accounting policy information

2.18 Revenue recognition

Interest income

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

Dividend income

Dividend income from investments is recognised when the Group's right to receive payment is 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.

2.19 Government grants

Government grants are recognised when there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. Where the grant relates to an asset, the fair value is recognised as deferred capital grant on the statement of financial position and is amortised to profit or loss over the expected useful life of the relevant asset by equal annual instalments.

Other government grants are recognised as income over the periods 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 period in which they become receivable.

2.20 Employee benefits

(a) Defined contribution plan

The Group participates in the national pension schemes as defined by the laws of the countries in which it has operations. In particular, the Singapore companies in the Group makes contributions to the Central Provident Fund scheme in Singapore, a defined contribution pension scheme. Contributions to defined contribution pension schemes are recognised as an expense in the period in which the related service is performed.

(b) Employee leave entitlement

Employee entitlements to annual leave are recognised as a liability when they are accrued to the employees. The undiscounted liability for leave expected to be settled wholly before twelve months after the end of the reporting period is recognised for services rendered by employees up to the end of the reporting period. The liability for leave expected to be settled beyond twelve months from the end of the reporting period is determined using the projected unit credit method. The net total of service costs, net interest on the liability and remeasurement of the liability are recognised in profit or loss.

2. Material accounting policy information

2.20 Employee benefits

(c) 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 reissued to the employees.

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. 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.

2.21 Taxes

(a) Current income tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the tax authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the end of the reporting period, in the countries where the Group operates and generates taxable income.

Current income taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where applicable.

(b) Deferred tax

Deferred tax is provided using the liability method on temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

2. Material accounting policy information

2.21 Taxes

(b) Deferred tax

Deferred tax liabilities are recognised for all temporary differences, except:

- where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiaries, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised except:

- where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of deductible temporary differences associated with investments in subsidiaries, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

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

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in the other comprehensive income or directly in equity and deferred tax arising from a business combination is adjusted against goodwill on acquisition.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current income tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, would be recognised subsequently if new information about facts and circumstances changed. The adjustment would either be treated as a reduction to goodwill (as long as it does not exceed goodwill) if it is incurred during the measurement period or in profit or loss.

2. Material accounting policy information

2.21 Taxes

(c) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST except:

- where the GST incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the sales tax is recognised as part of the cost acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables that are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of other receivables or payables in the statement of financial position.

3. Significant accounting judgements and estimates

The preparation of the Group's consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the end of each reporting period. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in the future periods.

3.1 Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period are discussed below. The Group based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

(a) Allowance for expected credit losses (ECL)

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 included 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 10 and Note 9, respectively, to the financial statements.

3. Significant accounting estimates and judgements

3.1 Key sources of estimation uncertainty

(b) Impairment of investment in an associate, 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 unites 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 investments in subsidiaries are disclosed in Note 7 and Note 6, respectively, and the Group's property, plant and equipment in Note 4 to the financial statements.

(c) Estimation of incremental borrowing rate (IBR)

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 17 to the financial statements. If the IBR had been 50 basis point higher/lower with all other variable held constant, the Group's ROU assets and lease liabilities would have been approximately lower/higher by S\$103,000 and S\$99,000, respectively.

(d) Estimation of provision made on various claims

In conjunction with the proposed restructuring exercise as disclosed in Note 2.1 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 20 and Note 22, respectively, to the financial statements.

3. Significant accounting estimates and judgements

3.2 Judgements made in applying accounting policies

In the process of applying the Group's accounting policies, management has made the following judgements which have the most significant effect on the amounts recognised in the consolidated financial statements:

(a) 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).

(b) Going concern assumption

The Group incurred a net loss of S\$332,000 from continuing operations during the financial year ended 30 September 2025 and, as of that date, the Group's and the Company's total liabilities exceeded their total assets by S\$138,118,000 and S\$148,406,000, respectively, and the Group's and the Company's current liabilities exceeded their current assets by S\$156,921,000 and S\$148,424,000, respectively.

At the Group level, the current liabilities are mainly due to payables to former subsidiaries, loans from shareholder, non-controlling interest and third parties, 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 indicate the existence of a material uncertainty which may cast significant doubt over the Group's and the Company's ability to continue as a going concern.

As disclosed in Note 2.1 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.

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 fund 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 and liabilities as current assets and liabilities. No such adjustments have been made to these financial statements.

3. Significant accounting estimates and judgements

3.2 Judgements made in applying accounting policies

(c) 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.
- 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 comprehensive income as "Discontinued Operation".

4. Property, plant and equipment

Group	Leasehold land and building S\$'000	Computers S\$'000	Renovation S\$'000	Office furniture and equipment S\$'000	Total S\$'000
2025					
Cost					
Beginning of financial year	23,460	562	148	181	24,351
Additions	-	3	-	-	3
Disposals	-	(12)	-	-	(12)
End of financial year	<u>23,460</u>	<u>553</u>	<u>148</u>	<u>181</u>	<u>24,342</u>
Accumulated depreciation and impairment					
Beginning of financial year	4,301	562	14	150	5,027
Charge for the year					
- Continuing operations (Note 27)	694	1	5	2	702
- Discontinued operations	-	-	-	-	-
Disposals	-	(12)	-	-	(12)
Reversal of impairment (Note 24)	(1,749)	-	-	-	(1,749)
End of financial year	<u>3,246</u>	<u>551</u>	<u>19</u>	<u>152</u>	<u>3,968</u>
Carrying amount	<u>20,214</u>	<u>2</u>	<u>129</u>	<u>29</u>	<u>20,374</u>

4. Property, plant and equipment

Group	Leasehold land and building S\$'000	Leased premises S\$'000	Computers S\$'000	Renovation S\$'000	Motor vehicles S\$'000	Machinery and tools S\$'000	Office furniture and equipment S\$'000	Total S\$'000
2024								
Cost								
Beginning of financial year	23,610	1,014	780	478	3,816	2,819	420	32,937
Additions	6,805	129	4	107	689	239	25	7,998
Disposals	–	–	–	–	(485)	(148)	(22)	(655)
Written off	–	(553)	(6)	–	(13)	(95)	(16)	(683)
Reclassified to disposal group held for sale (Note 12)	(6,955)	(590)	(216)	(437)	(4,007)	(2,815)	(226)	(15,246)
End of financial year	<u>23,460</u>	<u>–</u>	<u>562</u>	<u>148</u>	<u>–</u>	<u>–</u>	<u>181</u>	<u>24,351</u>
Accumulated depreciation and impairment								
Beginning of financial year	3,885	762	764	250	2,246	2,164	320	10,391
Charge for the year								
- Continuing operations (Note 27)	690	–	–	5	–	–	2	697
- Discontinued operations	101	303	9	90	539	247	46	1,335
Disposals	–	–	–	–	(338)	(97)	(22)	(457)
Written off	–	(553)	(6)	–	(13)	(95)	(16)	(683)
Reclassified to disposal group held for sale (Note 12)	(245)	(512)	(205)	(331)	(2,434)	(2,219)	(180)	(6,126)
Reversal of impairment (Note 24)	(130)	–	–	–	–	–	–	(130)
End of financial year	<u>4,301</u>	<u>–</u>	<u>562</u>	<u>14</u>	<u>–</u>	<u>–</u>	<u>150</u>	<u>5,027</u>
Carrying amount	<u>19,159</u>	<u>–</u>	<u>–</u>	<u>134</u>	<u>–</u>	<u>–</u>	<u>31</u>	<u>19,324</u>

4. Property, plant and equipment

Company	Leased premises S\$'000	Computers S\$'000	Renovation S\$'000	Office furniture and equipment S\$'000	Total S\$'000
Cost					
At 1 October 2023	129	558	3	137	827
Additions	65	–	–	–	65
At 30 September 2024	194	558	3	137	892
Additions	66	2	–	–	68
Disposal	–	(12)	–	–	(12)
At 30 September 2025	260	548	3	137	948
Accumulated depreciation					
At 1 October 2023	112	558	3	137	810
Charge for the year	66	–	–	–	66
At 30 September 2024	178	558	3	137	876
Charge for the year	66	–	–	–	66
Disposal	–	(12)	–	–	(12)
At 30 September 2025	244	546	3	137	930
Carrying amount					
At 30 September 2024	16	–	–	–	16
At 30 September 2025	16	2	–	–	18

(a) Right-of-use assets acquired under leasing arrangements are presented together with the owned assets of the same class. In 2024, the Group made cash payments to acquire right-of-use assets of S\$6,805,000 which was reclassified to disposal group held for sale. Details of such leased assets are disclosed in Note 17(a).

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

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	26 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) In 2024, the Group's leasehold building is pledged to bank to secure facilities granted to the Group (Note 21).

(e) During the financial year, impairment loss of S\$1,749,000 (2024:S\$130,000) was reversed as the fair value of the leasehold property, determined based on valuation at the reporting date carried out by independent valuers with appropriate recognised professional qualifications and experience, had increased. The impairment loss reversed on these assets is recognised within "other operating income" 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. Level 3 fair value measurements are based on valuation techniques that include inputs not based on observable market data.

5. Intangible assets

Group	Customer contracts	
	2025 S\$'000	2024 S\$'000
Cost		
Beginning of financial year	–	2,233
Reclassified to disposal group held for sale (Note 12)	–	(2,233)
End of financial year	–	–
Accumulated amortisation		
Beginning of financial year	–	2,233
Reclassified to disposal group held for sale (Note 12)	–	(2,233)
End of financial year	–	–
Carrying amount	–	–

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

6. Investments in subsidiaries

	Company	
	2025 S\$'000	2024 S\$'000
Unquoted equity shares, at cost		
Beginning and end of financial year	12,094	12,094
Impairment losses		
Beginning and end of financial year	(12,094)	(12,094)
	–	–

Details of the subsidiaries are as follows:

Name of subsidiaries	Principal activities	Country of business/ incorporation	Percentage of equity held by the Group		Percentage of equity held by the Company	
			2025 %	2024 %	2025 %	2024 %
Held by the Company						
TEE Industrial Pte. Ltd. ⁽ⁱ⁾	Operating an industrial building for rental	Singapore	100	100	100	100
TEE Water Pte. Ltd. ⁽ⁱ⁾	Investment holding	Singapore	100	100	100	100
TEE Infrastructure Private Limited ⁽ⁱ⁾	Generation of electricity by other sources, owns and operates power plants, and supply of electricity	Singapore	100	100	100	100
Held by TEE Industrial Pte. Ltd.						
TEE Furnishing Pte. Ltd. ⁽ⁱ⁾	Retail sale of furniture	Singapore	100	100	–	–

6. Investments in subsidiaries

Name of subsidiaries	Principal activities	Country of business/ incorporation	Percentage of equity held by the Group		Percentage of equity held by the Company	
			2025 %	2024 %	2025 %	2024 %
Held by TEE Infrastructure Private Limited						
TEE Solar Pte. Ltd. ⁽ⁱ⁾	Generation of electricity by other sources, owns and operates power plants, and supply of electricity	Singapore	100	100	–	–
G3 Environmental Private Limited ⁽ⁱⁱ⁾⁽ⁱⁱⁱ⁾	Commercial and industrial real estate management, and recycling of metal waste and scrap	Singapore	–	50.10	–	50.10

(i) Audited by Anchorage Assurance.

(ii) Reclassified to disposal group classified as held for sale since prior year (Note 12). Disposed of on 13 November 2024.

(iii) Audited by other independent auditor.

7. Investment in an associate

	Group	
	2025 S\$'000	2024 S\$'000
Unquoted equity shares, at cost	4,332	4,332
Share of post-acquisition reserves, net of dividend received	936	936
Less: Accumulated impairment loss	(5,108)	(2,534)
	160	2,734
Reclassification to disposal group (Note 12)	(160)	(2,734)
	–	–

During the financial year, the Group recognised an additional impairment loss of S\$2,574,000 (2024: S\$2,534,000) on its investment in associate, based on an assessment of the recoverable amount. The remaining carrying amount of S\$160,000 (2024: S\$2,734,000) was reclassified to a disposal group held for sale (Note 12).

Movement in allowance for impairment is as follows:

	Group	
	2025 S\$'000	2024 S\$'000
Beginning of financial year	2,534	–
Allowance for the financial year (Note 12)	2,574	2,534
End of financial year	5,108	2,534

7. Investment in an associate

Details of the Group's associate are as follows:

Name of associate	Principal activity	Country of business/ incorporation	Percentage of equity held by the Group	
			2025 %	2024 %
Held by TEE Infrastructure Private Limited				
PowerSource Philippines Distributed Power Holdings, Inc. ⁽ⁱ⁾⁽ⁱⁱ⁾	Construction, operation and maintenance of power plants	Philippines	21.05	21.05

(i) Audited by other independent auditor.

(ii) Reclassified to disposal group classified as held for sale in prior year (Note 12). Disposed of on 19 November 2025.

8. Deferred income taxes

The movements in deferred income tax assets and liabilities are as follows:

Deferred tax assets

Group	Lease liabilities S\$'000	Capital allowances S\$'000	Provisions S\$'000	Tax losses S\$'000	Total S\$'000
At 1 October 2023	28	148	8	212	396
Charge to profit or loss for the financial year (Note 28)	(20)	(58)	(1)	–	(79)
Reclassified to disposal group held for sale (Note 12)	(8)	(90)	(7)	(212)	(317)
At 30 September 2024 and 30 September 2025	–	–	–	–	–

Deferred tax liabilities

Group	Lease liabilities S\$'000	Provisions S\$'000	Property, plant and equipment S\$'000	Total S\$'000
At 1 October 2023	(22)	(69)	323	232
Credit/(charge) to profit or loss for the financial year (Note 28)	11	(156)	(58)	(203)
Reclassified to disposal group held for sale (Note 12)	11	225	(265)	(29)
At 30 September 2024 and 30 September 2025	–	–	–	–

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

9. Other receivables

	<u>Group</u>		<u>Company</u>	
	2025 S\$'000	2024 S\$'000	2025 S\$'000	2024 S\$'000
Non-current				
Lease receivables	126	136	–	–
Current				
Other receivables				
- Third parties	62	93	19	11
- Subsidiaries	–	–	28,155	29,067
- Former subsidiaries	108	130	108	106
	170	223	28,282	29,184
Less: Allowance for impairment	(103)	(103)	(16,575)	(16,575)
	67	120	11,707	12,609
Deposits	106	121	102	117
Prepayments	18	76	18	15
Accrued rental income	12	33	–	–
Lease receivables	10	10	–	–
Interest receivable				
- Third parties	–	5	–	–
GST receivable	132	–	125	–
	345	365	11,952	12,741
Total other receivables	471	501	11,952	12,741

Movements in allowance for impairment of other receivables are as follows:

	<u>Group</u>		<u>Company</u>	
	2025 S\$'000	2024 S\$'000	2025 S\$'000	2024 S\$'000
Beginning of financial year	103	260	16,575	19,141
Allowance for the year	–	6	–	508
Amount utilised	–	(127)	–	–
Reversal of impairment allowance (Note 24)	–	(36)	–	(3,074)
End of financial year	103	103	16,575	16,575

Lease receivables relate to a finance leasing agreement 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 the end of the lease year at a nominal amount.

The non-trade 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 S\$16,575,000 (2024: S\$16,575,000).

10. Trade receivables

	Group	
	2025 S\$'000	2024 S\$'000
Trade receivables - Third parties	19	63
Less: Allowance for impairment	–	–
	19	63

Movements in allowance for impairment of trade receivables are as follows:

	Group	
	2025 S\$'000	2024 S\$'000
Beginning of financial year	–	280
Allowance for the financial year	–	58
Reclassification to disposal group held for sale (Note 12)	–	(338)
End of financial year	–	–

Trade receivables are unsecured, non-interest bearing and are generally on 7 to 14 (2024: 7 to 14) days credit terms.

11. Cash and cash equivalents

	Group		Company	
	2025 S\$'000	2024 S\$'000	2025 S\$'000	2024 S\$'000
Fixed deposits	–	2,000	–	–
Cash at banks	41	97	19	38
	41	2,097	19	38

Fixed deposits in 2024 are for a tenure of 365 days with interest rate of 0.25%. Fixed deposits of S\$2,000,000 are pledged as security for certain bank facilities.

For the purpose of presenting the consolidated statement of cash flows, cash and cash equivalents comprise the following at the end of the financial year:

	Group	
	2025 S\$'000	2024 S\$'000
Cash and cash equivalents	41	2,097
Less: Short-term deposits with maturity more than 3 months	–	(2,000)
Add: Disposal groups classified as held for sale (Note 12)	–	5,482
Cash and cash equivalents for cash flows statement	41	5,579

11. Cash and cash equivalents

Disposal of a subsidiary

On 13 November 2024, the Group disposed of its 50.10%-owned subsidiary, G3 Environmental Private Limited. The effects of the disposal on the cash flows of the Group were:

	Group As at 13 November 2024 S\$'000
Carrying amounts of assets and liabilities as at the date of disposal:	
Property, plant and equipment	2,271
Right-of-use assets	6,849
Deferred tax assets	317
Inventories	52
Trade and other receivables	5,566
Contract assets	233
Cash and bank balances	7,922
Total assets	23,210
Trade and other payables	4,872
Provisions	471
Contract liabilities	1
Lease liabilities	117
Income tax payables	543
Deferred tax liabilities	29
Total liabilities	6,033
Net assets derecognised	17,177
Less: Non-controlling interests	(8,519)
Net assets disposed of	8,658
Cash inflows arising from disposal:	
Net assets disposed of (as above)	8,658
Compensation to non-controlling interest in disposal group related to waiver of liability	316
Gain on disposal	2,048
Cash proceeds on disposal	11,022
Less: Cash and bank balances in subsidiary disposed of	(7,922)
Net cash inflow on disposal	3,100

12. Discontinued operations and disposal group classified as held for sale

	Group	
	2025	2024
	S\$'000	S\$'000
Assets of disposal group classified as held for sale		
- G3 Environmental Private Limited	-	22,838
- PowerSource Philippines Distributed Power Holdings, Inc. (Note 7)	160	2,734
	160	25,572
Liabilities associated with disposal group classified as held for sale		
- G3 Environmental Private Limited	-	12,212

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 dispose of their respective shareholdings for a total consideration of S\$22,000,000 (the “G3 Disposal”).

The disposal was completed on 13 November 2024.

Accordingly, in 2024, the assets and liabilities of G3 Environmental and its subsidiaries (“G3 Group”) were classified as a disposal group held for sale and presented separately in the statement of financial position. The results of G3 Group were presented as discontinued operations in the consolidated statement of comprehensive income.

The results of the discontinued operation are as follows:

	Group	
	2025	2024
	S\$'000	S\$'000
Revenue	2,361	29,000
Cost of sales	(1,808)	(23,893)
Gross profit	553	5,107
Other operating income	59	596
Expenses	(192)	(2,552)
Profit before tax from discontinued operations	420	3,151
Income tax expense (Note 28)	(56)	(316)
Profit from discontinued operations	364	2,835
Gain on disposal of subsidiary	2,048	-
Profit from discontinued operations	2,412	2,835

12. Discontinued operations and disposal group classified as held for sale

G3 Environmental Private Limited (“G3 Environmental”)

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

	Group	
	2025	2024
	S\$'000	S\$'000
Operating cash inflows	728	3,978
Investing cash outflows	–	(3,788)
Financing cash outflows	<u>(33)</u>	<u>(600)</u>
Total cash inflows/(outflows)	<u>695</u>	<u>(410)</u>

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

	Group
	2024
	S\$'000
Assets	
Property, plant and equipment (Note 4)	9,120
Intangible assets (Note 5)	–
Deferred tax assets (Note 8)	317
Inventories	55
Trade receivables*	5,172
Other receivables	754
Contract assets	238
Fixed deposits	1,700
Cash and bank balances (Note 11)	<u>5,482</u>
Total assets	<u>22,838</u>
Liabilities	
Trade payables	1,555
Other payables ⁽ⁱ⁾	9,538
Provisions (Note 20)	471
Contract liabilities	7
Lease liabilities	149
Income tax payables	463
Deferred tax liabilities (Note 8)	<u>29</u>
Total liabilities	<u>12,212</u>

* Net of allowance for impairment of S\$338,000 (Note 10).

⁽ⁱ⁾ Other payables include a loan from non-controlling interest of S\$6,188,000 for working capital purposes. The loan was converted into equity on 4 November 2024 prior to completion of the G3 Disposal.

12. Discontinued operations and disposal group classified as held for sale

PowerSource Philippines Distributed Power Holdings, Inc. (“Powersource”)

As part of the Company's Scheme of Arrangement, the Group was required to dispose of its equity interest in associate, Powersource, by the long stop date of 31 December 2025.

As at 30 September 2025, the Group was actively seeking a potential buyer and the disposal was considered highly probable.

Accordingly, the investment in Powersource was classified as assets held for sale and it was measured at the lower of carrying amount and fair value less cost to sell.

Subsequent to financial year end, on 11 November 2025, the Group entered into a sale and purchase agreement with Capcrest Venture Management Limited to dispose of its 21.05% equity interest for a consideration of PHP7,200,000 (equivalent to S\$160,000). The disposal was completed on 19 November 2025.

The share of results for the financial year from Powersource are as follows:

	Group	
	2025	2024
	S\$'000	S\$'000
Share of results of associate	–	266
Impairment loss (Note 7)	(2,574)	(2,534)
Loss from discontinued operations	(2,574)	(2,268)

The Group recognised a loss of S\$2,574,000 (2024: S\$2,534,000) to remeasure the investment to its fair value less costs to sell.

Cumulative currency translation reserve recognised in other comprehensive income relating to asset classified as held for sale were as follows:

	Group	
	2025	2024
	S\$'000	S\$'000
Currency translation reserve	1,178	1,178

As at 30 September 2025, the cumulative translation differences remain in equity. These will be reclassified to profit or loss upon completion of the disposal.

13. Share capital

	Group and Company			
	2025		2024	
	Number of shares	S\$'000	Number of shares	S\$'000
Issued and fully paid ordinary shares				
Beginning of financial year	648,152,876	73,194	648,152,876	73,194
Issuance of ordinary shares	<u>2,871,875,347</u>	<u>5,923</u>	–	–
End of financial year	<u>3,520,028,223</u>	<u>79,117</u>	<u>648,152,876</u>	<u>73,194</u>

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry only one vote per share without restriction. The ordinary shares have no par value.

14. Treasury shares

	Group and Company			
	2025		2024	
	Number of shares	S\$'000	Number of shares	S\$'000
Issued and fully paid ordinary shares				
Beginning and end of financial year	<u>1,270,400</u>	<u>269</u>	<u>1,270,400</u>	<u>269</u>

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 S\$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.

15. 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.

16. Capital reserve

	Company	
	2025 S\$'000	2024 S\$'000
Beginning and end of financial year	<u>274</u>	<u>274</u>

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

17. Leases

The Group as lessee

	Group		Company	
	2025	2024	2025	2024
	S\$'000	S\$'000	S\$'000	S\$'000
Non-current	1,697	1,754	–	–
Current	51	40	17	17
	1,748	1,794	17	17

In 2024, the Group's leases included leasehold land, leased premises, motor vehicles, machinery and tools, and office equipment from third parties under non-cancellable lease agreements.

As at 30 September 2025, the Group's right-of-use assets relate primarily to leasehold land, following the reclassification of other leased assets to disposal groups in the prior financial year. There are no restrictions placed on the Group and the Company by entering into these contracts. The Group's and the Company's obligations under these leases are secured by the lessor's title to the leased assets.

(a) Carrying amounts of right-of-use assets classified within property, plant and equipment

	Leasehold land	Leased premises	Motor vehicles	Machinery and tools	Office equipment	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Group						
At 1 October 2023	1,720	252	37	61	13	2,083
Additions/modification	6,805	129	18	–	–	6,952
Depreciation	(155)	(303)	(31)	(32)	(5)	(526)
Reclassified to disposal group	(6,711)	(78)	(24)	(29)	(8)	(6,850)
At 30 September 2024	1,659	–	–	–	–	1,659
Depreciation	(60)	–	–	–	–	(60)
At 30 September 2025	1,599	–	–	–	–	1,599
Company						
At 1 October 2023	–	17	–	–	–	17
Additions/modification	–	65	–	–	–	65
Depreciation	–	(66)	–	–	–	(66)
At 30 September 2024	–	16	–	–	–	16
Additions/modification	–	66	–	–	–	66
Depreciation	–	(66)	–	–	–	(66)
At 30 September 2025	–	16	–	–	–	16

(b) Amounts recognised in profit or loss

	Group	
	2025	2024
	S\$'000	S\$'000
Depreciation of right-of-use assets	60	526
Interest expense on lease liabilities (Including discontinued operations)	59	71
Lease expense – low-value leases	–	2
	119	599

17. Leases

The Group as lessee

(c) Total cash outflows

The Group had total cash outflows for leases of S\$137,000 (2024: S\$505,000) in the financial year ended 30 September 2025.

(d) Extension options

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. Management exercises significant judgement in determining whether these extension options are reasonably certain to be exercised (Note 3.2).

The Group as lessor

The Group leases out its leasehold properties to third parties under operating lease. Rental income recognised during the financial year amounted to S\$300,000 (2024: S\$286,000).

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

	Group	
	2025	2024
	S\$'000	S\$'000
Undiscounted lease payments to be received:		
- Less than one year	84	298
- One to two years	84	84
- Two to three years	34	84
- Three to four years	–	34
	<u>202</u>	<u>500</u>

18. Trade payables

	Group	
	2025	2024
	S\$'000	S\$'000
Third parties	<u>3</u>	<u>–</u>

Trade payables are non-interest bearing and are normally settled on 30 days' terms.

19. Other payables

	Group		Company	
	2025 S\$'000	2024 S\$'000	2025 S\$'000	2024 S\$'000
Other payables				
- Third parties	2,362	2,225	1,985	2,039
- Subsidiaries	–	–	3,742	3,298
- Former subsidiaries	48,585	49,684	48,548	49,647
- Former immediate holding company of a subsidiary	–	1,652	–	308
Loan from				
- Third parties	3,929	3,225	3,929	3,225
- Related party	–	1,630	–	1,630
- Shareholders	2,740	2,968	2,740	2,768
Accrued expenses	396	1,055	297	926
Accrued interest expenses	357	276	357	268
Rental and security deposits	611	621	490	500
GST payable	–	92	–	92
	58,980	63,428	62,088	64,701

The non-trade amounts due to third parties, subsidiaries and loan from shareholders are unsecured, interest-free and repayable on demand or within the next twelve months.

The non-trade amounts due to former subsidiaries are unsecured, interest-free and have been included as part of, and will be settled via the Scheme of Arrangement of the Company.

In 2024, the non-trade amount due to former immediate holding company of a subsidiary carry an interest rate of 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. The amount was fully repaid during the financial year.

The loan from third parties amounting to S\$1,215,000 (2024: S\$445,000) carries a fixed interest rate of 8% (2024: 8%) per annum and is unsecured and repayable on demand.

The remaining loan of third-parties loan of S\$2,714,000 (2024: S\$2,780,000) was 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 of 10% (2024: 10%) per annum, is unsecured and have been included as part of, and will be settled via the Scheme of Arrangement of the Company.

The loan from a related party is for working capital purpose, is unsecured, interest-free and repayable within the next twelve months.

20. Provisions

	Group		Company	
	2025	2024	2025	2024
	S\$'000	S\$'000	S\$'000	S\$'000
Provision for restoration cost (a)	162	157	–	–
Provision for restructuring cost (b)	95	1,123	95	1,123
	257	1,280	95	1,123

(a) Provision for restoration costs

	Group	
	2025	2024
	S\$'000	S\$'000
Beginning of financial year	157	506
Addition	–	107
Unwinding of discount	5	15
Reclassified to disposal group held for sale (Note 12)	–	(471)
End of financial year	162	157

(b) Provision for restructuring costs

	Group and company	
	2025	2024
	S\$'000	S\$'000
Beginning of financial year	1,123	1,108
Addition	–	15
Settlement via equity issuance	(1,028)	–
End of financial year	95	1,123

The provision for restructuring costs relates to fees payable to a third-party vendor for services rendered in connection with the Group's restructuring exercise.

During the financial year, the Company entered into an arrangement with the vendor to settle an outstanding amount of S\$1,028,000 through the issuance of 465,251,132 ordinary shares in the Company. The settlement was effected via the capitalisation of the amount due to the vendor, which was applied towards the subscription of shares issued by the Company.

21. Borrowings

	Group		Company	
	2025	2024	2025	2024
	S\$'000	S\$'000	S\$'000	S\$'000
Bank loans	<u>-</u>	<u>9,478</u>	<u>-</u>	<u>-</u>

The bank loans were fully repaid during the financial year. The loans bore a floating interest rate of 6.20% per annum below the bank's prevailing enterprise base rate.

The bank loans were secured by a mortgage over leasehold building. The mortgage was discharged during the financial year. The Group's bank facility agreements include financial covenants. These covenants require the Group to meet certain key financial ratios.

22. Financial guarantee liabilities

	Group and Company	
	2025	2024
	S\$'000	S\$'000
Beginning of financial year	100,386	100,439
Settlements	(2,200)	-
Adjustments (Note 27)	-	(53)
End of financial year	<u>98,186</u>	<u>100,386</u>

Financial guarantee liabilities pertain to corporate guarantee issued to counterparties for performance bonds and claims made against certain former subsidiaries. During the prior financial year, adjustments were made to the carrying amount of the financial guarantee liabilities to reflect the agreed amounts under the Company's Scheme of Arrangement.

23. Revenue

	Group	
	2025	2024
	S\$'000	S\$'000
Type of goods or services – Over time		
- Consultancy income	163	62
- Rental income	300	286
- Rental and related services income	7	14
	<u>470</u>	<u>362</u>

The Group's revenue is derived from external customers located in Singapore.

24. Other operating income

	Group	
	2025	2024
	S\$'000	S\$'000
Government grants	2	2
Interest income on fixed deposits	2	3
Management and service fees income	12	83
Reversal of impairment loss on property, plant and equipment (Note 4)	1,749	130
Reversal of impairment loss on other receivables (Note 9)	–	36
Other payables written back	–	550
Retainer fees	60	–
Others	8	9
	1,833	813

25. Other operating expenses

	Group	
	2025	2024
	S\$'000	S\$'000
Other receivables written off	68	–
Foreign exchange loss, net	–	4
	68	4

26. Finance costs

	Group	
	2025	2024
	S\$'000	S\$'000
Interest expense on borrowings and bank overdrafts	178	999
Interest expense on lease liabilities	59	61
Unwinding of discount on provision for restoration cost	5	5
	242	1,065

27. Loss before income tax

Loss before income tax has been arrived at after charging/(crediting):

	Group	
	2025	2024
	S\$'000	S\$'000
Financial guarantee liabilities adjustments (Note 22)	–	(53)
Depreciation of property, plant and equipment (Note 4)	702	697
Legal and professional fee	518	667
Employee benefits expense*		
- Salaries, bonuses and other costs	673	791
- Contributions to Central Provident Fund	13	62

27. Loss before income tax

* Employee benefit expenses include key management personnel remuneration as disclosed in Note 29 to the financial statements.

28. Income tax expense

	Group	
	2025 S\$'000	2024 S\$'000
Current income tax		
- Discontinued operations	56	487
Under/(over) provision in respect of prior years		
- Continuing operations	17	31
- Discontinued operations	-	(47)
	17	(16)
Deferred income tax		
- Discontinued operations	-	(124)
	73	347
Tax expense is attributable to:		
- Continuing operations	17	31
- Discontinued operations (Note 12)	56	316
	73	347

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

	Group	
	2025 S\$'000	2024 S\$'000
Loss before income tax		
- Continuing operations	(315)	(2,667)
- Discontinued operations	(106)	883
Less: Share of results of an associate (Note 12)	-	(266)
	(421)	(2,050)
Tax calculated at tax rate of 17% (2024: 17%)	(72)	(349)
Effect of:		
- Non-taxable income	(646)	(168)
- Non-deductible expenses	594	799
- Exempt income and tax rebate	-	(35)
- Deferred tax assets not recognised	140	90
- Deferred tax assets not recognised now utilised	(2)	-
- Under/(over) provision in respect of prior years	17	(16)
- Others	42	26
	73	347

28. Income tax expense

Deferred income tax assets are recognised for tax losses carried forward to the extent that realisation of the related tax benefits through future taxable profits is probable. The Group has unrecognised tax losses S\$2,490,000 (2024: S\$3,430,000) at the reporting date which can be carried forward and used to offset against future taxable income subject to meeting certain statutory requirements. The tax losses have no expiry date.

In 2024, deferred tax assets of approximately S\$317,000 have been recognised in respect of S\$1,250,000 of these unutilised tax losses and S\$620,000 of these temporary differences. Deferred tax asset of S\$317,000 was reclassified to disposal group held for sale (Note 8 and 12).

29. Significant related party transactions

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

Compensation of directors and key management personnel

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

	Group	
	2025	2024
	S\$'000	S\$'000
Short-term benefits	133	1,114
Post-employment benefits	3	63
	136	1,177
Comprise amounts paid to:		
- Directors of the Company	126	370
- Directors of subsidiaries	-	499
- Other key management personnel	10	308
	136	1,177

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.

30. Financial risk management

The Group's activities expose it to a variety of financial risks from its operations. The key financial risks include credit risk, liquidity risk and market risk (including interest rate risk and foreign currency risk).

The directors review and agree policies and procedures for the management of these risks, which are executed by the management team. It is and has been throughout the current and previous financial year, the Group's policy that no trading in derivatives for speculative purposes shall be undertaken.

The following sections provide details regarding the Group's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks.

There has been no change to the Group's exposure to these financial risks or the manner in which it manages and measures the risks.

30. Financial risk management

(a) Credit risk

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 2025, 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 of 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.

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

Category	Definition of category	Basis for recognising expected credit loss (ECL)
I	Counterparty has a low risk of default and does not have any past-due amounts.	12-month ECL
II	Amount is >30 days past due or there has been a significant increase in credit risk since initial recognition.	Lifetime ECL – not credit-impaired
III	Amount is >90 days past due or there is evidence indicating the asset is credit-impaired (in default).	Lifetime ECL – credit-impaired
IV	There is evidence indicating that the debtor is in severe financial difficulty and the debtor has no realistic prospect of recovery.	Amount is written off

The table below details the credit quality of the Group's financial assets, as well as maximum exposure to credit risk by credit risk rating categories:

	Note	Category	12-month or lifetime ECL	Gross carrying amount S\$'000	Loss allowance S\$'000	Net carrying amount S\$'000
Group 2025						
Trade receivables	10	Note 1	Lifetime ECL (simplified approach)	19	–	19
Other receivables	9	III	12-month ECL	309	–	309
Other receivables	9	III	Lifetime ECL	103	(103)	–
					<u>(103)</u>	

30. Financial risk management

(a) Credit risk

	Note	Category	12-month or lifetime ECL	Gross carrying amount S\$'000	Loss allowance S\$'000	Net carrying amount S\$'000
Group						
2024						
Trade receivables	10	Note 1	Lifetime ECL (simplified approach)	63	–	63
Other receivables	9	III	12-month ECL	384	–	384
Other receivables	9	III	Lifetime ECL	103	(103)	–
					<u>(103)</u>	
Company						
2025						
Other receivables	9	III	12-month ECL	11,809	–	11,809
Other receivables	9	III	Lifetime ECL	16,575	(16,575)	–
					<u>(16,575)</u>	
2024						
Other receivables	9	III	12-month ECL	12,726	–	12,726
Other receivables	9	III	Lifetime ECL	16,575	(16,575)	–
					<u>(16,575)</u>	

Trade receivables (Note 1)

For trade receivables, the Group has applied the simplified approach in SFRS(I) 9 to measure the loss allowance at lifetime ECL. The Group determines the ECL 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 trade receivables 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.

30. Financial risk management

(a) Credit risk

Trade receivables (Note 1)

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.

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 S\$98,186,000 and S\$98,186,000 (2024: S\$100,386,000 and S\$100,386,000), 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.

Other receivables

The Group and the Company assessed the latest performance and financial position of the counterparties, adjusted for the future outlook of the industry in which the counterparties operate in, and concluded that there has been no significant increase in the credit risk since the initial recognition of the financial assets. The amounts due from former subsidiaries are measured on lifetime ECL and the impairment loss allowance is disclosed in Note 9 to the financial statements.

(b) Liquidity risk

Liquidity risk refers to the risk that the Group will encounter difficulties in meeting its short-term obligations due to shortage of funds. The Group's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. It is managed by matching the payment and receipt cycles. The Group's objective is to maintain a level of cash and bank balances deemed adequate by the management to finance the Group's operations and mitigate the effects of fluctuation in cash flows. The Group finances its working capital requirements through a combination of funds generated from operations and financial supports from its shareholders. The directors are satisfied that funds are available to finance the operations of the Group.

The following table details the Group and the Company's remaining contractual maturity for its non-derivative financial instruments. The table has been drawn up based on the undiscounted cash flows of financial assets and financial liabilities based on the earlier of the contractual date or when the Group and the Company is expected to receive or pay.

30. Financial risk management

(b) Liquidity risk

	Within one financial year S\$'000	After one financial year but within five financial years S\$'000	After five financial years S\$'000	Total S\$'000
Group				
2025				
Financial assets				
Trade receivables	19	–	–	19
Other receivables	183	126	–	309
Cash and cash equivalents	41	–	–	41
	<u>243</u>	<u>126</u>	<u>–</u>	<u>369</u>
Financial liabilities				
Lease liabilities	108	433	2,094	2,635
Trade payables	3	–	–	3
Other payables	59,030	–	–	59,030
Financial guarantee liabilities	98,186	–	–	98,186
	<u>157,327</u>	<u>433</u>	<u>2,094</u>	<u>159,854</u>
Net financial liabilities	<u>(157,084)</u>	<u>(307)</u>	<u>(2,094)</u>	<u>(159,485)</u>
2024				
Financial assets				
Trade receivables	63	–	–	63
Other receivables	248	136	–	384
Cash and cash equivalents	2,099	–	–	2,099
	<u>2,410</u>	<u>136</u>	<u>–</u>	<u>2,546</u>
Financial liabilities				
Lease liabilities	99	396	2,245	2,740
Other payables	63,662	–	–	63,662
Bank loans	9,548	–	–	9,548
Financial guarantee liabilities	100,386	–	–	100,386
	<u>173,695</u>	<u>396</u>	<u>2,245</u>	<u>176,336</u>
Net financial liabilities	<u>(171,285)</u>	<u>(260)</u>	<u>(2,245)</u>	<u>(173,790)</u>
Company				
2025				
Financial assets				
Other receivables	11,809	–	–	11,809
Cash and cash equivalents	19	–	–	19
	<u>11,828</u>	<u>–</u>	<u>–</u>	<u>11,828</u>
Financial liabilities				
Lease liabilities	17	–	–	17
Other payables	62,184	–	–	62,184
Financial guarantee liabilities	98,186	–	–	98,186
	<u>160,387</u>	<u>–</u>	<u>–</u>	<u>160,387</u>
Net financial liabilities	<u>(148,559)</u>	<u>–</u>	<u>–</u>	<u>(148,559)</u>

30. Financial risk management

(b) Liquidity risk

	Within one financial year S\$'000	After one financial year but within five financial years S\$'000	After five financial years S\$'000	Total S\$'000
Company				
2024				
Financial assets				
Other receivables	12,726	–	–	12,726
Cash and cash equivalents	38	–	–	38
	<u>12,764</u>	<u>–</u>	<u>–</u>	<u>12,764</u>
Financial liabilities				
Lease liabilities	17	–	–	17
Other payables	64,919	–	–	64,919
Financial guarantee liabilities	100,386	–	–	100,386
	<u>165,322</u>	<u>–</u>	<u>–</u>	<u>165,322</u>
Net financial liabilities	<u>(152,558)</u>	<u>–</u>	<u>–</u>	<u>(152,558)</u>

(c) Market risk

Market risk is the risk that changes in market prices, such as interest rates and foreign exchange rates will affect the Group's and the Company's income. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk.

Interest rate risk

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

Sensitivity analysis

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 rate 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 2025 would increase/decrease by Nil (2024: S\$47,000). This is mainly attributable to the Group's exposure to interest rates on its variable rate borrowings.

Foreign currency risk

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.

30. Financial risk management

(c) Market risk

Foreign currency risk

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:

Group	Liabilities		Assets	
	2025 S\$'000	2024 S\$'000	2025 S\$'000	2024 S\$'000
Thai Baht	56	55	-	-

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 financial year will decrease by:

Group	Thai Baht impact	
	2025 S\$'000	2024 S\$'000
Profit or loss	6	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.

(d) Fair value of financial assets and financial liabilities

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

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

30. Financial risk management

(d) Fair value of financial assets and financial liabilities

Cash and cash equivalents, other receivables and other payables

The carrying amounts of these balances approximate their fair values due to the short-term nature of these balances.

Trade receivables and trade payables

The carrying amounts of these receivables and payables approximate their fair values as they are subject to normal trade credit terms.

Bank borrowings

The carrying amounts of bank borrowings approximate their fair values as they are subject to interest rates close to market rate of interests for similar arrangements with financial institutions.

31. Financial instruments by category

At the reporting date, the carrying amounts of different categories of financial instruments are as follows:

	Group		Company	
	2025 S\$'000	2024 S\$'000	2025 S\$'000	2024 S\$'000
Financial assets				
Amortised cost	369	2,544	11,828	12,764
Financial liabilities				
Amortised cost	58,983	72,814	62,088	64,609
Financial guarantee liabilities at amortised cost	98,186	100,386	98,186	100,386

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

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

32. Capital management

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. See Note 21 to the financial statements for bank covenants.

The Group monitors capital using debt ratio as follows:

	Group	
	2025	2024
	S\$'000	S\$'000
Total debts	1,748	11,272
Total assets	21,065	47,557
Total equity	(138,118)	(141,216)
Debt-to-total assets ratio (times)	0.08	0.24
Debt-to-total equity ratio (times)	NM*	NM*

* Not meaningful

As at 30 September 2025, the Group's net equity is a deficit of S\$138,118,000 (2024: S\$141,216,000). Please refer to Note 2.1 of financial statements for updates to the restructuring exercise.

33. Event after reporting period

(a) Rights issue exercise

Pursuant to an AGM held on 29 July 2025, the shareholders of the Company approved a renounceable right issue of 39,247,964 new ordinary shares at an issue price of S\$0.00221 per share. The Right Shares rank pari passu in all aspects with the previously issued shares. The Rights Issue was completed on 14 November 2025.

The proceeds of S\$86,783 from the Rights Issue will be utilised for the repayment of the outstanding obligations included within the Group's other payable.

33. Event after reporting period

(b) Disposal of 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.

As at 30 September 2025, the investment was classified as a non-current asset held for sale and measured at the lower of carrying amount and fair value less costs to sell.

Subsequent to the reporting date, on 11 November 2025, the Group entered into a sale and purchase agreement with Capcrest Venture Management Limited to dispose of 327,615 Common Class A shares, representing 21.05% of the paid-up capital of Powersource, for a consideration of PHP7,200,000 (equivalent to S\$160,000).

The disposal was completed on 19 November 2025.

(c) Strategic Partnership Agreement

On 31 December 2025, the Company entered into a strategic partnership agreement with NoonTalk Media Limited to establish a new company, Verve Media Live Pte. Ltd., in Singapore. The Company will hold an 81% equity interest in the new entity.

34. Authorisation of the financial statements

The consolidated financial statements for the financial year ended 30 September 2025 were authorised for issue in accordance with a resolution of the Board of Directors of the Company on 14 April 2026.