SEN YUE HOLDINGS LIMITED
森跃控股有限公司

SHAPING THE FUTURE TOGETHER

ANNUAL REPORT 2023

CONTENTS

COMPANY PROFILE	1
LETTER TO SHAREHOLDERS	2
GROUP STRUCTURE	4
BUSINESS OPERATIONS	5
FINANCIAL REVIEW	9
BOARD OF DIRECTORS	13
KEY MANAGEMENT	15
CORPORATE GOVERNANCE REPORT	17
DIRECTORS' STATEMENT	53
INDEPENDENT AUDITOR'S REPORT	56
FINANCIAL STATEMENTS	60
NOTES TO FINANCIAL STATEMENTS	67
SUPPLEMENTARY INFORMATION	120
STATISTICS OF SHAREHOLDINGS	122
NOTICE OF ANNUAL GENERAL MEETING	124
PROXY FORM	129
CORPORATE INFORMATION	IBC

This annual report has been reviewed by the Company's sponsor, SAC Capital Private Limited (the "**Sponsor**").

This annual report has not been examined or approved by the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") and the SGX-ST assumes no responsibility for the contents of this annual report, including the correctness of the statements or opinions made or reports contained in this annual report.

The contact person for the Sponsor is Ms. Tay Sim Yee, at 1 Robinson Road, #21-00 AIA Tower, Singapore 048542, telephone (65) 6232 3210.

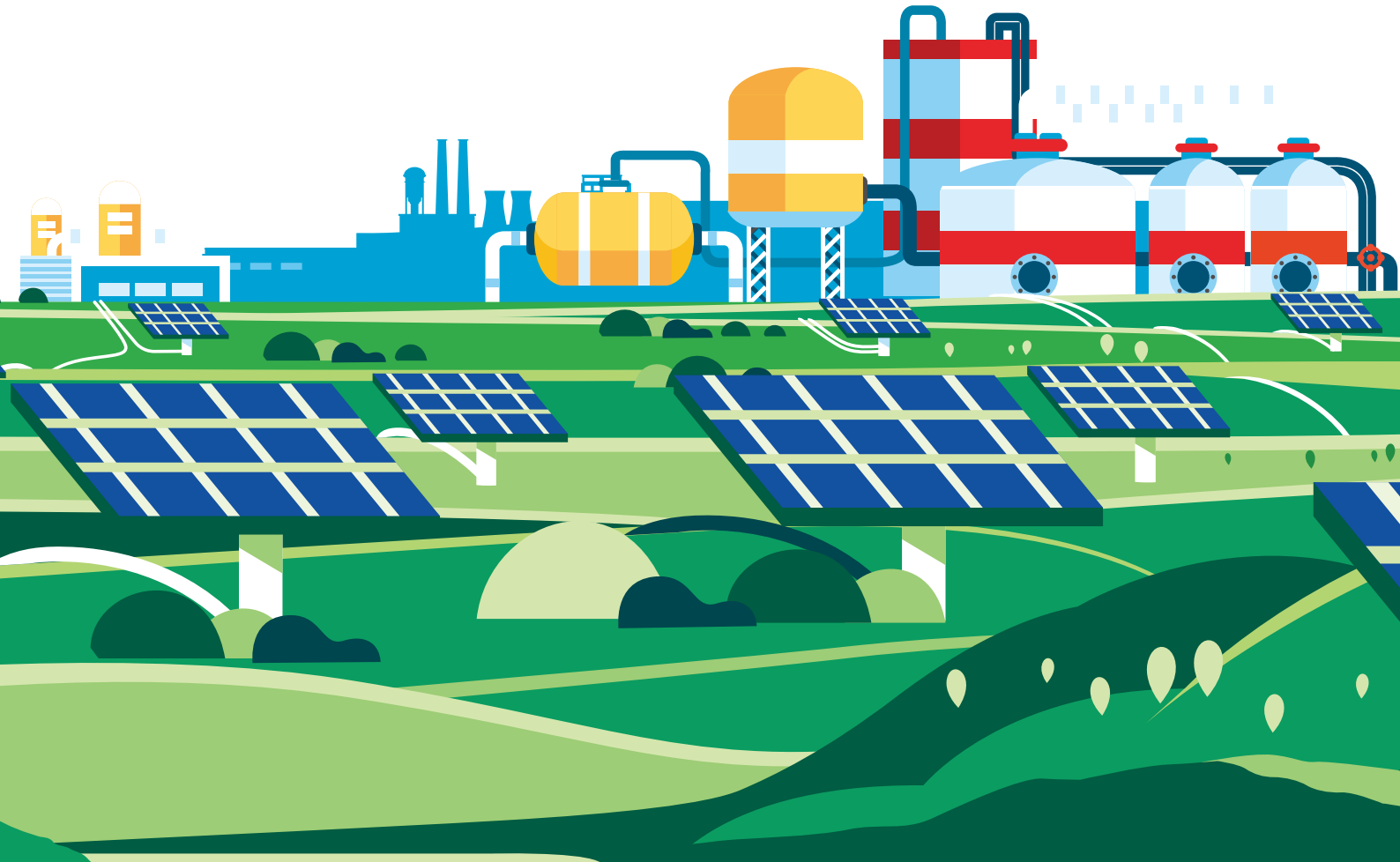
COMPANY PROFILE

Sen Yue Holdings Limited ("**Sen Yue**" or the "**Company**" and together with its subsidiaries, the "**Group**") is an established metallurgical solutions provider for products used across a diverse range of industries including audio-visual, automotive, bicycles, electrical & electronics, luggage & power tools, micromotor, screw & fastener, and general hardware. The main business activities of the Group can be classified into three broad business segments: (i) Metal Components, (ii) Electrodeposition ("**ED**") coating, and (iii) Commodities.

The **Metal Components** segment involves the manufacturing and sales of perforated metal components, tool and die, and other consumer electronics-related metal components. It is complemented by the **ED Coating** segment that involves various surface coating technologies including electrodeposition coating, powder coatings, spray-painting, and silk-screening services, and secondary processes in-house, to provide aesthetic finishes for products across a diverse range of industries.

The **Commodities** segment is streamlined to provide waste management solutions, treatment, and recycling of industrial waste, electronic waste, and lithium-ion batteries for the electric vehicle industry.

Sen Yue is listed on the Catalist board of the Singapore Exchange Securities Trading Limited under the stock code **5BS**.



LETTER TO SHAREHOLDERS

DEAR SHAREHOLDERS,

I am pleased to update that the Company has fulfilled all overdue financial and key regulatory compliance obligations, sustained the Group's business operations, submitted our proposal for trading resumption to the Singapore Exchange Regulation ("**SGX RegCo**"), and achieved completion and absolute release and discharge from the approved schemes of arrangement with full settlement in the financial year ended 30 September 2023 ("**FY2023**").

My team and I are appreciative of the patience and support of our stakeholders, particularly all members of the Group who continue to strive relentlessly to fulfill our commitments to the external stakeholders amid the challenging business environment.

We are heartened that our established Metal Components and ED Coating business operations have been relatively stable, which gave us the comfort to focus on rebuilding the electronic waste management business under the Commodities business segment in the past year. In FY2023, we recorded a commendable revenue growth of 60.8% year-on-year to S$65.99 million, up from S$41.04 million in FY2022. The significant growth was driven by our successful transition into the recovery and recycling of lithium-ion batteries for the electric vehicle ("**EV**") battery industry under the revamped Commodities business segment. This growth buffered the slight decline in revenue of the other two core business segments in FY2023.

Notwithstanding our revenue growth, our profitability continued to be susceptible against the backdrop of gradual economic recovery and geopolitical uncertainties, which resulted in the price volatility of key battery materials, rising inflationary pressure on operating costs, and intense competition. Correspondingly, we registered a 10.7% year-on-year decline in net profit attributable to shareholders from S$15.93 million in FY2022 to S$14.23 million in FY2023.

As at 30 September 2023, the Group recorded positive working capital of S$18.69 million, a reversal from the negative working capital of S$0.74 million as at 30 September 2022. We believe the normalisation of business operations, particularly the Commodities segment managed by SMC Industrial Pte. Ltd. ("**SMCI**"), will continue to deliver sustainable value to our stakeholders. With the release and discharge of the judicial management order on the Company and SMCI, as well as improved financial performance, the Group's net asset value per share[(1)] increased from 0.71 Singapore cents as at 30 September 2022 to 1.08 Singapore cents as at 30 September 2023.

SHAPING THE FUTURE TOGETHER

Having settled our outstanding financial and key regulatory compliance obligations in FY2023, we are looking forward to shaping the future together amongst our business partners as we identified that our core business segments share an aligned interest in the automotive sector.

References:

(1) Net asset value per share is computed based on the total number of issued ordinary shares of 3.24 billion and 2.73 billion as at 30 September 2023 and 30 September 2022, respectively.

LETTER TO SHAREHOLDERS

Nevertheless, we remain mindful and adopt a prudent approach amid the global economic slowdown and ongoing geopolitical uncertainties. The market disequilibrium in demand and supply of key battery materials (including lithium, cobalt, and nickel) since early 2023, which resulted in price volatility, is expected to continue[(2)]. As a result, the Group's operating margin in the Commodities business segment is likely to face downward pressure. Amid the global slowdown in EVs, carmakers have been stepping up their offerings in the range of EVs and their scale of discounts to increase sales[(3)], as well as making fresh investments in electric car operations[(4)]. In the long term, we believe the intense competition among carmakers would result in better affordability for EVs, which would increase the demand for EV battery and correspondingly, battery materials. As one of the larger EV battery recovery and recycling players in Singapore, we are cautiously optimistic of the long-term outlook for the Group's Commodities business segment.

Our ED Coating business segment is also facing a challenging business environment amidst competitive pressure and rising operational costs in Malaysia, where our ED Coating operations are primarily based. Despite the anticipated decline in the sales volume of automobiles in Malaysia's automotive industry in 2024[(5)(6)], we will continue our restructuring efforts to strengthen our foundation by exploring collaborative opportunities within the Group as well as externally. Our efforts will be targeted towards enhancing our competencies and efficiencies, and broadening our solutions and services across the metallurgical value chain to benefit our customers, in a bid to enhance the Group's stability and sustainability for the long term.

ACKNOWLEDGEMENTS AND APPRECIATION

On behalf of the Board, I would like to convey our gratitude to all members of the Group for their contributions and commitment in the past year. I am also appreciative of my fellow Directors for their guidance and support as we steered the Group towards our intended milestones.

We also like to convey our appreciation to our customers, bankers, and business partners for their continued support and confidence in us.

Last but not least, we are appreciative to you, our shareholders, for your patience and confidence in us. We remain committed to working towards achieving new milestones of sustainable growth for the Group and the resumption of trading on the Singapore Exchange.

MR. YAP MENG SING
Executive Chairman and Chief Executive Officer

References:
(2) Financial Times: "Slowing Chinese EV demand drives down battery metal prices" Available at: https://www.ft.com/content/861d4097-1d8c-4692-a8bb-37d66a80a47b
(3) Financial Times. "Carmakers step up EV discounts in bid to stem global demand slowdown" Available at: https://www.ft.com/content/ae42f287-e325-423b-9e69-03416a3826ba
(4) Financial Times. "Nissan: UK bet charges up carmaker's electric plans" Available at: https://www.ft.com/content/46daf80c-acb0-4c6f-98ad-b4550f0d70ae
(5) RHB Research. "Promising 2023 but uncertain 2024 for Malaysia's automotive sector" Available at: https://www.nst.com.my/business/2023/08/940153/promising-2023-uncertain-2024-malaysias-automotivesector#:~:text=KUALA%20LUMPUR%3A%20Malaysia's%20automotive%20sector,volume%20to%20soften%20in%202024.
(6) Affin Hwang Investment Bank. "Analysts hold mixed views on Malaysia's automotive sector" Available at: https://english.news.cn/20230724/d4ef58b5b6514a9da64afe677c78c36e/c.html

GROUP STRUCTURE

BUSINESS OPERATIONS

The Group worked towards fulfilling its obligations for all outstanding statutory matters since the discharge of the judicial management order ("**JMO**") on the Company and its wholly-owned subsidiary, SMC Industrial Pte Ltd ("**SMCI**") on 17 August 2022.

In the financial year ended 30 September 2023 ("**FY2023**"), the Group accomplished the following notable developments:

- fulfilled our obligations to publish the outstanding financial reports for the past two financial years during the JMO, while keeping shareholders updated with the current year's financial reports;
- successfully transitioned into electronic waste ("**e-waste**") recovery and recycling of lithium-ion batteries for the electric vehicle ("**EV**") battery industry with the receipt of the relevant and necessary licenses and permits endorsed by local authorities for the Group's lithium-ion batteries recycling operations in Singapore;
- submitted the trading resumption proposal to the Singapore Exchange Regulation on 31 August 2023; and
- termination of the Scheme of Arrangement and discharged upon the final cash payment distributed to the Scheme Creditors on 29 September 2023.

The anticipated global economic recovery post-pandemic had been gradual as inflationary pressure on operating costs escalated, which intensified competition and undermined the financial performance of businesses.

During FY2023, the Group continued to reinforce our focus to drive growth in the Commodities segment through our services in the recovery and recycling of lithium-ion batteries for the EV battery industry. Despite declining prices for key battery materials including lithium, cobalt, and nickel since early 2023, the Group managed to record a commendable revenue growth in FY2023. This improvement in the Commodities segment cushioned the decline in revenue contribution of the Metal Components and ED Coating segments amid a slowdown in the automotive industry and higher operating costs.

Overall, the Group recorded a 60.8% increase in revenue from S$41.04 million in FY2022 to S$65.99 million in FY2023, and the aggregate segmental results increased by 41.7% from S$13.99 million in FY2022 to S$19.82 million in FY2023.

BUSINESS OPERATIONS

ANALYSIS OF CONTRIBUTIONS BY BUSINESS SEGMENTS

(S$'000)	Revenue		Variance	Segment Results		Variance
	FY2023	FY2022		FY2023	FY2022	
Metal Components	**2,813**	3,262	(13.8%)	**73**	146	(50.0%)
ED Coating	**14,246**	15,315	(7.0%)	**2,654**	3,785	(29.9%)
Commodities	**50,635**	23,634	>100%	**17,233**	9,815	+75.6%
Inter-segment elimination	**(1,705)**	(1,170)	+45.7%	**(139)**	241	N.M.
Total	**65,989**	**41,041**	**+60.8%**	**19,821**	**13,987**	**+41.7%**

Note: N.M. denotes not meaningful.

The Group's core business operations comprising (i) Metal Components, (ii) ED Coating, and (iii) Commodities, share an aligned interest in the automotive industry with the establishment of our operations in the recovery and recycling of lithium-ion batteries for the EV battery industry.

Having steered the Commodities segment back to profitability, we will continue to explore opportunities to further enhance the Group's competencies and competitiveness amongst our core business segments to benefit our customers sustainably in the long term.

METAL COMPONENTS

Our Metal Components business segment is primarily involved in the design, manufacturing, and sales of perforated metal components, tool and die, and other consumer electronics-related metal components.

With an established track record of more than 20 years through our wholly-owned subsidiary companies based in Malaysia and Indonesia, our team of experienced engineers work with our customers at the initial stage of the product development cycle, engaging in co-designing and co-engineering to ensure the tooling improves the manufacturability of the components.

Leveraging on our range of in-house capabilities and facilities, we provide a comprehensive range of services to our customers, particularly in tool and die as well as metal stamping, where we customise specified metals into required parts as components for fabrication or assembly to form part of the larger components of our customers' end products. Our customers span diverse industries including office automation, consumer audio, and automotive.

ED COATING

Our ED Coating business segment provides various surface coating technologies, including electrodeposition ("**ED**") coating, powder coatings, spray-painting and silk-screening services, and secondary processes, in-house to provide aesthetic finishes for products across a diverse range of industries. Our customer base spans industries including audio-visual, automotive, bicycles, electrical & electronics, luggage & power tools, micromotor, screw & fastener, and general hardware.

We continue to keep ourselves abreast with more advanced and environmentally friendly surface coating technologies to achieve better efficiency and effectiveness to meet the stringent requirements of our customers, who are reputable brand manufacturers.

BUSINESS OPERATIONS

Our proprietary surface coating process – our ED coating service, is one of our key competitive strengths. ED coating is particularly critical for the automotive sector as it ensures rust prevention performance is formed both on the outer surface and the complicated internal structures of the automobile. Whilst an automotive coating film may appear thin, it consists of layers with various functions including design performance for beautiful appearance, weather resistance performance, anti-chipping performance, and rust prevention performance. ED coating is also known as a versatile and eco-friendly surface finishing method.

During FY2023, we commissioned the hot-dip zinc galvanizing line for corrosive protection service. We believe this cost-competitive coating solution for corrosion protection would broaden the Group's customer base.

Our facilities are certified with ISO9001:12015 on quality management systems, and IAFT 16949:2016, which is a global quality management system standard for our automotive industry. We are accredited for our competencies in consistently meeting the evolving requirements of our customers.

COMMODITIES

Our Commodities business segment provides waste management solutions, treatment, recovery, and recycling of industrial waste, electronic waste, and lithium-ion batteries for the electric vehicle industry.

Based in Singapore with an established track record of more than 25 years, SMCI is committed to offering recovery and recycling solutions and services to our customers to address increasing concerns about waste generation, in particular, electronic and lithium-ion battery waste.

With a continual focus on improving our process and technology to make recycling both convenient and affordable, we are focused on ensuring waste is recycled and integrated back into the supply chain, where it belongs.

One of our key e-waste management services is 'battery recycling' where the recycling process typically begins with the receipt of one of the following waste sources:

1. discarded electrical or electronic equipment such as spent lithium-ion batteries from portable devices;

2. battery manufacturing waste generated by manufacturer(s) that made battery for electric vehicles/energy storage systems; and

3. end-of-life battery modules generated from scraped electric vehicles.

Additional steps are required for end-of-life batteries at recycling facilities, where they undergo testing, discharging, and disassembly.

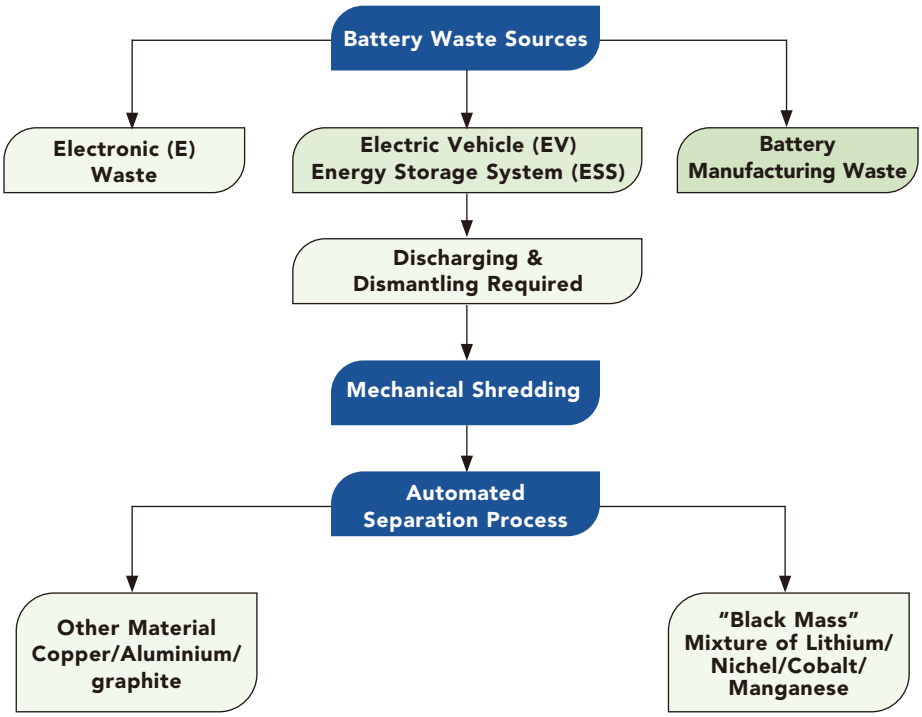
The waste batteries are then subjected to a shredding process, followed by the separation of electrode active material and current collector foil. This process yields multiple material fractions including "black mass", which is in a powder form containing valuable materials such as nickel, cobalt, lithium, and graphite.

Currently, this "black mass" is used as a feedstock by our downstream customers for two processing purposes: (i) hydrometallurgical processing which involves treating the screened "black mass" extensively with acids to dissolve metals, and (ii) pyrometallurgical processing which involves smelting batteries in a furnace to recover cobalt, nickel, and copper in the form of alloys.

The demand for "black mass" is likely to increase as several ongoing research and development in innovative recycling processes are also using the "black mass" as feedstock.

BUSINESS OPERATIONS

The following chart illustrates the general recycling process of battery waste.



We will continue to explore collaborative opportunities through enhancing our competencies to better support our customers with value-adding solutions.

SMCI's operations and facility are accredited with the following:

- certified with ISO 9001:2015 standards by Lloyd's Register Quality Assurance ("**LRQA**") on the recycling and sales of e-waste, ferrous and non-ferrous metals
- licenced by the National Environment Agency of Singapore for the establishment and operations of Lithium-ion Battery Recycling Facility
- licenced by the National Environment Agency of Singapore as a Toxic Industrial Waste Collector
- licenced by the National Environment Agency of Singapore as a Class A General Waste Collector

On 6 December 2023, SMCI entered into a non-binding Memorandum of Collaboration (the "**MOC**") with Konkordia Sdn. Bhd. ("**Konkordia**"), a wholly-owned subsidiary of NanoVerify Sdn. Bhd. under the NanoMalaysia Group, to facilitate the opportunity of SMCI's entry into Malaysia's EV battery recycling industry. In this joint collaboration, SMCI shall contribute comprehensive data on existing and proposed battery recycling technologies, while Konkordia will lead in the understudy of EV battery recycling using a full recovery method, covering aspects including technology identification, process refinement, and the establishment of essential requirements. The feasibility study encompasses environmental and regulatory compliance, as well as financial modeling and the return on investment for the proposed EV battery recycling facility in Malaysia.

The Group will make the relevant update announcements to update shareholders of any material developments in due course.

FINANCIAL REVIEW

The discharge of the judicial management order ("**JMO**") on Sen Yue Holdings Limited (the "**Company**") and its wholly-owned subsidiary, SMC Industrial Pte Ltd ("**SMCI**") on 17 August 2022, saw the Company (and together with its subsidiaries, the "**Group**") overcome challenges amidst geopolitical uncertainties, gradual economic recovery post-pandemic and rising inflationary costs on operations in the financial year ended 30 September 2023 ("**FY2023**").

The Group registered a 60.8% year-on-year increase in revenue from S$41.04 million for the financial year ended 30 September 2022 ("**FY2022**") to S$65.99 million in FY2023. Higher revenue was mainly driven by the significant growth in the Commodities segment, which refocused on lithium-ion battery recycling operations from the second half of FY2022. The revenue growth was moderated by lower revenue contribution from the Metal Components and ED Coating segments which saw demand for their services decrease in tandem with the global slowdown in demand for motor vehicles in the second half of FY2023.

REVENUE ANALYSIS BY BUSINESS SEGMENTS

Business Segments	FY2023 (S$'000)	FY2022 (S$'000)	Variance
Metal Components	**2,813**	3,262	(13.8%)
ED Coating	**14,246**	15,315	(7.0%)
Commodities	**50,635**	23,634	>100%
Inter-segment elimination	**(1,705)**	(1,170)	+45.7%
Total	**65,989**	**41,041**	**+60.8%**

Since early 2023, the prices for key battery materials including lithium, cobalt, and nickel continue to decline on the back of slowdown in demand for electric vehicles ("**EV**") and excess supply of battery materials from mine producers. The decline in prices for key battery materials had adversely affected the cost of sales of the Commodities segment, which recorded an inventory allowance amounting to S$2.83 million in the fourth quarter of FY2023. Depreciation for right-of-use ("**ROU**") assets increased from S$0.31 million in FY2022 to S$0.49 million in FY2023 due to a new lease entered by the Group during FY2023, while depreciation for property, plant and equipment ("**PPE**") remained relatively similar in FY2023 as compared to FY2022. Overall, cost of sales of the Group increased from S$22.99 million in FY2022 to S$53.11 million in FY2023. Correspondingly, the Group's gross profit declined by 28.6% from S$18.06 million in FY2022 to S$12.88 million in FY2023, and composite gross margin normalised from 44.0% in FY2022 to 19.5% in FY2023.

Other operating income increased from S$0.52 million in FY2022 to S$2.94 million in FY2023. The increase was mainly due to (i) the increase of interest income on higher fixed deposit interest rates, and (ii) the increase in scrap sales for by-products amounting to S$2.53 million.

The Group recorded a gain on debts settlement of approximately S$11.50 million in FY2023 after it completed the full repayment of the schemes of arrangement ("**Schemes**") and extinguished all liabilities under the Schemes in the fourth quarter of FY2023. This gain was partially offset by foreign exchange loss of S$1.97 million due to stronger Singapore dollar against the US dollar during FY2023. Consequently, other gain and losses increased from S$3.50 million in FY2022 to S$9.51 million in FY2023.

FINANCIAL REVIEW

Finance expenses decreased from S$1.87 million in FY2022 to S$0.40 million in FY2023 in tandem with lower borrowing and the absence of accrued interest expenses on defaulted loans incurred in FY2022.

Distribution expenses increased by 46.6% year-on-year from S$0.37 million in FY2022 to S$0.54 million in FY2023 with the increase in operational activities of the Commodities segment.

The Group's administrative expenses decreased by 17.1% from S$7.93 million in FY2022 to S$6.57 million in FY2023. The decrease was mainly due to the absence of professional fees related to the JMO, which was partially offset by the general increase in other administrative expenses as business operations returned to normalcy.

The Group provided S$3.59 million for tax expenses in FY2023, and recorded a net profit attributable to shareholders of the Company of S$14.23 million in FY2023, as compared to a net profit of S$15.93 million in FY2022.

FINANCIAL POSITION ANALYSIS

As at end 30 September (S$'000)	2023	2022	Variance
Non-current assets	18,440	22,790	(19.1%)
Current assets	28,540	31,274	(8.7%)
Non-current liabilities	2,146	2,760	(22.2%)
Current liabilities	9,848	32,015	(69.2%)
Working capital	18,692	(741)	N.M.
Equity attributable to owners of the Company	34,986	19,289	+81.4%
Net asset value per share (Singapore Cents)[1]	1.08	0.71	52.1%

1 Net asset value per share are computed based on the total number of issued ordinary shares of 3.24 billion and 2.73 billion as at 30 September 2023 and 30 September 2022, respectively.

The Group recorded positive working capital of S$18.69 million as at 30 September 2023, a reversal from the negative working capital of S$0.74 million as at 30 September 2022. This was mainly due to the normalisation of business operations, particularly the Commodities segment managed by SMCI, and better financial performance during FY2023 after the discharge of the JMO on the Company and SMCI. Equity attributable to owners of the Company improved from S$19.29 million as at 30 September 2022 to S$34.99 million as at 30 September 2023. Correspondingly, net asset value per share increased from 0.71 Singapore cents as at 30 September 2022 to 1.08 Singapore cents as at 30 September 2023.

Non-current assets decreased by 19.1% from S$22.79 million as at 30 September 2022 to S$18.44 million as at 30 September 2023. The decrease was mainly due to:

(i) the decrease in PPE from S$15.00 million as at 30 September 2022 to S$13.90 million as at 30 September 2023, comprising depreciation expenses of S$1.89 million which was offset by new purchases of PPE of S$1.64 million and a translation difference of S$0.84 million;

(ii) the decrease in ROU assets from S$2.29 million as at 30 September 2022 to S$1.89 million as at 30 September 2023 due to depreciation charges of S$0.49 million in FY2023; and

FINANCIAL REVIEW

(iii) the decrease in deferred tax assets from S$5.46 million as at 30 September 2022 to S$2.48 million as at 30 September 2023, where taxable profit is offset against the unutilised tax losses brought forward from previous years; which were partially offset by

(iv) the increase in intangible assets of S$0.13 million as at 30 September 2023 due to the inventory management software purchased in FY2023.

Current assets decreased by 8.7%, from S$31.27 million as at 30 September 2022 to S$28.54 million as at 30 September 2023. The decrease was mainly due to:

(i) the decrease in trade and other receivables from S$10.88 million as at 30 September 2022 to S$6.44 million as at 30 September 2023 resulting from lower prepayment for waste supplies of S$4.23 million under the battery waste supply agreement, and lower trade receivable of S$0.58 million which was partially offset by an increase in tax recoverable of S$0.52 million; and

(ii) the decrease in cash and bank balances from S$11.30 million as at 30 September 2022 to S$9.49 million as at 30 September 2023; which were partially offset by

(iii) the increase in inventories from S$9.10 million as at 30 September 2022 to S$12.62 million as at 30 September 2023 on the back of the increase in e-waste inventories in aggregate of S$8.38 million, and offset by an inventories allowance of S$2.83 million on the price volatility of key battery materials.

Non-current liabilities decreased by 22.2% from S$2.76 million as at 30 September 2022 to S$2.15 million as at 30 September 2023, mainly due to the repayment of lease liabilities.

Current liabilities decreased from S$32.02 million as at 30 September 2022 to S$9.85 million as at 30 September 2023. The significant decrease was mainly due to:

(i) the decrease in trade and other payables from S$18.88 million as at 30 September 2022 to S$3.98 million as at 30 September 2023 stemmed from (i) the repayment of the Second Tranche of Scheme Payment amounting to S$3.36 million, (ii) the recognition of extinguishment of liabilities under the Schemes of approximately S$9.39 million, and (iii) the repayment of outstanding amount due to creditor of approximately S$2.14 million; and

(ii) the decrease in loans and borrowings from S$12.60 million as at 30 September 2022 to S$5.39 million as at 30 September 2023, resulting from (i) the repayment of Second Tranche of Scheme Payment amounting to S$3.23 million, (ii) the repayment of term loans amounting to S$1.90 million, and (iv) the recognition of extinguishment of liabilities under the Schemes of approximately S$2.16 million.

FINANCIAL REVIEW

CASH FLOW ANALYSIS

FYE 30 September (S$'000)	FY2023	FY2022	Variance
Net cash generated from/(used in) operating activities	3,987	(6,667)	N.M.
Net cash used in investing activities	(1,491)	(503)	>100.0%
Net Cash (used in)/generated from financing activities	(4,040)	1,697	N.M.
Net Cash and Cash Equivalents	**9,452**	**11,261**	**(16.1%)**

Note: N.M. denotes not meaningful.

In FY2023, the Group utilised S$1.55 million and had cash and cash equivalents of S$9.45 million as at 30 September 2023.

- Net cash generated from operating activities in FY2023 was S$3.99 million. This was mainly due to (i) the decrease in trade and other receivables of S$4.73 million, and (ii) profit before changes in working capital of S$11.92 million, that were partially offset by (iii) the increase in inventories of S$6.30 million, (iv) payment for tax expenses of S$0.96 million, and (v) the decrease in trade and other payables of S$5.41 million.

- Net cash used in investing activities in FY2023 was S$1.49 million, mainly due to the purchase of PPE of S$1.64 million and the purchase of intangible asset of S$0.12 million, and were partially offset by interest income of S$0.23 million.

- Net cash used in financing activities in FY2023 was S$4.04 million. This was mainly due to (i) the net repayment of lease liabilities of S$0.56 million, (ii) the repayment of bank loans and trade bills amounting to S$1.87 million and S$3.23 million, respectively, (iii) interest paid to financial institutions of S$0.40 million, and were partially offset by (iv) proceeds of S$2.02 million from the issuance of new shares.

BOARD OF DIRECTORS

MR. YAP MENG SENG

Executive Chairman and Chief Executive Officer

Mr. Yap Meng Seng is the Executive Chairman and Chief Executive Officer of the Company. He was appointed to the Board on 5 August 2022. He is responsible for leading the Board and ensuring the overall effectiveness of the Board and its Board Committees as well as working alongside with the Management team on corporate policies and strategies for the Group.

Mr. Yap brings with him a wealth of experience in corporate leadership and management from his involvement in the operations of companies that develop, manufacture, and supply soldering solutions to electronics, semiconductor, and electroplating industries.

MR. LIMJOCO ROSS YU

Lead Independent Director

Mr. Limjoco Ross Yu is the Lead Independent Director of the Company, the Chairman of the Audit Committee, and a member of the Remuneration Committee and Nominating Committee. He was appointed to the Board on 5 August 2022.

Mr. Limjoco is the Managing Director of Anchorage Consulting Private Limited, Anchorage Professional Consultancy, Inc., Valuation Advisory Pte. Ltd. and TMS Capital Advisory Ltd, as well as the Technical Advisor to Shangyew Public Accounting Corporation. He is also the Managing Partner of Anchorage Assurance. He has more than 30 years of commercial and audit experience in both domestic and international markets where he led audit engagements in various companies, assisting companies with, inter alia, initial public offerings, mergers and acquisitions, financial due diligence, corporate advisory & restructuring, and valuation. His professional experience gained includes those from the Big 4 international accounting firms, mid-tier accounting firms, and the commercial industry.

Mr. Limjoco holds a Bachelor of Science in Business Administration with a major in accountancy from the Philippine School of Business Administration. He is a practising member of the Institute of Singapore Chartered Accountant, a member of the Philippine Institute of Certified Public Accountants, a member of Certified Fraud Examiner, and the International Association of Certified Valuation Specialists. He is a Singapore Chartered Valuer and Appraiser.

He also sits on the Board as an Independent Director of Ouhua Energy Holdings Limited listed on the SGX-ST.

BOARD OF DIRECTORS

MR. TAY BOON ZHUAN

Independent Director

Mr. Tay Boon Zhuan is the Independent Director of the Company, the Chairman of the Nominating Committee and a member of the Audit Committee and Remuneration Committee. He was appointed to the Board on 5 August 2022.

Mr. Tay is currently the Senior Director, Finance at Geniebook Pte. Ltd. and also sits on the Board of Sincap Group Limited listed on the SGX-ST. He began his career with PwC and two leading accounting firms specialising in accounting, payroll, business advisory and assurance advisory and assurance services for more than a decade before joining China Yuchai International Limited ("**CYI**"), the largest diesel engine manufacturer in China and listed on the New York Stock Exchange, as the Head of Internal Audit. CYI is a subsidiary of Hong Leong Asia Limited listed on the Singapore Exchange. Subsequently, Mr. Tay held positions as the Chief Financial Officer in Intraco Limited and Heatec Jietong Holdings Limited, which are listed on the SGX-ST.

Mr. Tay graduated from Nanyang Technological University with a Bachelor in Accountancy degree (First Class Honours). He is a qualified Chartered Accountant from the Institute of Singapore Chartered Accountants and also holds an ASEAN CPA certification.

MR. LAU YAN WAI

Independent Director

Mr. Lau Yan Wai is the Independent Director of the Company, the Chairman of the Remuneration Committee, and a member of the Audit Committee and Nominating Committee. He was appointed on 18 December 2019 and was re-elected on 22 September 2023.

Mr. Lau is currently a Partner of Donaldson & Burkinshaw LLP in Singapore and practices in the field of corporate and securities law. Mr. Lau started practice as an associate in the corporate and conveyancing department of Jeyaratnam & Chong, a law firm based in Malaysia in 2003 and left the firm in 2004. He joined Withers KhattarWong LLP, a Singapore law firm as a foreign lawyer in January 2005 and became a partner of the firm in January 2010. From June 2011 to February 2015, Mr. Lau was a partner at RHTLaw Taylor Wessing LLP and from September 2011 to March 2014, Mr. Lau was a registered professional with RHT Capital Pte. Ltd., a continuing sponsor registered with the Singapore Exchange, where he had undertaken continuing sponsor activities for several companies listed on the Catalist. Mr. Lau was a director of Equity Law LLC from March 2014 to 2019.

Mr. Lau graduated with a Bachelor of Law from the University of Sheffield and a Master of Law (Chinese Law) from the National University of Singapore. He also holds a Master of Science in Information Systems from the University of Sheffield. Mr. Lau is qualified to practice in Singapore and West Malaysia. Mr. Lau is a member of the Singapore Academy of Law, the Law Society of Singapore, and the Malaysian Bar.

KEY MANAGEMENT

MS. QUEENIE FOO QUEK CHENG

Chief Financial Officer

Ms. Queenie Foo was appointed as the Chief Financial Officer of the Group on 1 September 2022. She is responsible for the entire financial management, regulatory compliance and statutory reporting for the Group.

Ms. Foo began her career with Ernst & Young and Deloitte & Touche. She has 20 years of experience in auditing and accounting in various sectors including manufacturing, trading, plantations, property development and investment holding companies. Prior to joining our Group, Ms. Foo was the Chief Financial Officer of Eindec Corporation Limited ("**Eindec**"), a company listed on the Catalist of the SGX-ST, from August 2017 to August 2022.

During her tenure with Eindec, Ms. Foo wore two hats as Acting Chief Executive Officer of Eindec since December 2019, responsible for the Group's overall business operations and performance. From November 2011 to August 2017, Ms. Foo joined Heatec Jietong Holdings Ltd ("**Heatec**"), a company listed on the Catalist of the SGX-ST, as Group Financial Controller and was promoted to Chief Financial Officer in July 2014, where she was responsible for Heatec's corporate finance, accounting and corporate secretarial matters.

Ms. Foo is a certified Practicing Accountant of CPA Australia. She holds a degree of Bachelor of Commerce (Accounting) from the University of Adelaide, Australia.

MS. SHANN YAP SHIAU WEI

General Manager cum PA to Executive Chairman, Singapore

Ms. Shann Yap was appointed as the General Manager of SMC Industrial Pte. Ltd. ("**SMCI**") cum Personal Assistant ("**PA**") to the Executive Chairman of the Group on 1 February 2023. She is responsible of SMCI's overall performance including management of daily operations, marketing and procurement functions.

In addition, Ms. Yap is also a PA to the Executive Chairman and will assist the Executive Chairman from time to time. Ms. Yap is the daughter of Mr. Yap Meng Sing, the Executive Chairman and Chief Executive Officer of the Company.

Ms. Yap holds double degrees – Bachelor in Business (Accounting) and Bachelor in Business (Management) from Monash University.

KEY MANAGEMENT

MR. FOO SAY KIT

Divisional Managing Director

Mr. Foo Say Kit is the Divisional Managing Director who is responsible for the overall performance, engineering and technical support of the business units in Peninsular Malaysia and Indonesia. He joined the Group in 2004, where his responsibilities include business development with suppliers.

Prior to joining the Group's wholly-owned subsidiary, Mr. Foo worked in the Hard Disk Drives ("**HDDs**") related industries including ED coating, precision machining and aluminium die casting.

Mr. Foo holds a Diploma in Mechanical Engineering and Advance Diploma in Industrial Engineering from Singapore Polytechnic.

MR. LIM SOON WAH

General Manager, Indonesia

Mr. Lim Soon Wah is the Director and General Manager of PT PNE Indonesia, a subsidiary of the Group located in Indonesia. He joined one of the Group's subsidiaries in 2000 and has more than 20 years of experience in the metal surface finishing industry, specialising in powder and ED coating process. He oversees PT PNE Indonesia's marketing and day-to-day operations, and is responsible for overall performance of the business unit in Indonesia.

MR. PUA KAI CHEK

General Manager, Central and Northern Peninsular Malaysia

Mr. Pua Kai Chek is the General Manager of the Group's subsidiaries in Malaysia who is responsible for the overall performance of the central and northern Peninsular Malaysia business units. He oversees the marketing, business development activities, and daily operations of the Group's subsidiaries.

Mr. Pua has more than 10 years of experience in the metal surface finishing industry. He started his career with a manufacturer of HDDs as a Process Engineer before joining one of the Group's subsidiaries in 2003 as Head of the Engineering Process Department.

Mr. Pua graduated from the University of Technology Malaysia in 2022 with an Honours in Bachelor of Chemical Engineering (Bioprocess Engineering).

CORPORATE GOVERNANCE REPORT

The Board of Directors ("**Board**" or "**Directors**") of Sen Yue Holdings Limited ("**Company**") are committed to maintaining a high standard of corporate governance with a view of enhancing accountability, corporate transparency, sustainability and safeguarding interests of the shareholders within the Company and its subsidiaries ("**Group**").

This report outlines the Company's main corporate governance practices that were in place through the financial year ended 30 September 2023 ("**FY2023**") with reference to the principles set out in the Code of Corporate Governance 2018 ("**Code**") pursuant to Rule 710 of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") Listing Manual Section B: Rule of Catalist ("**Catalist Rules**").

The Board is pleased to report that for FY2023, the Company has adhered to the principles of the Code, and the provisions of the Code except where otherwise explained. In areas where the Company's practices vary from any provisions of the Code, the Company has stated herein the provision of the Code from which it has varied, and appropriate explanations are provided for the variation, and how the practices the Company had adopted are consistent with the intent of the relevant principle of the Code. The Company will continue to assess its needs and implement appropriate measures accordingly.

BOARD MATTERS

THE BOARD'S CONDUCT OF AFFAIRS

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

Provision 1.1 **Directors are fiduciaries who act objectively in the best interests of the Company and hold Management accountable for performance. The Board puts in place a code of conduct and ethics, sets appropriate tone-from-the-top and desired organisational culture, and ensures proper accountability within the Company. Directors facing conflicts of interest recuse themselves from discussions and decisions involving the issues of conflict.**

The Board is accountable to the shareholders for overseeing the effective management of the business. The Board works closely with the management of the Company ("**Management**") and the Management remains accountable to the Board.

The Board exercises due diligence and independent judgment in dealing with the business affairs of the Group and are fiduciaries who are obliged to act in good faith and to take objective decisions in the best interests of the Group.

Apart from its statutory and fiduciary responsibilities, the primary functions of the Board include:

- review Management performance (including Group's financial and operating performance);
- instil an ethical corporate culture and ensure that the company's values, standards, policies and practices are consistent with the culture;
- protecting and enhancing shareholders' value;
- overseeing the management of the Group. The Board meets regularly to discharge its obligation;
- ensuring there are in place appropriate and adequate systems of internal controls and risk management policies;

CORPORATE GOVERNANCE REPORT

- approving the annual budget, major capital expenditures and funding proposals, and investment and divestment proposals;
- determining the overall strategies of the Group as well as policies covering various matters with an emphasis on values, standards, internal controls, budget, financial performance, quarterly or half-yearly reporting (as may be required by the Catalist Rules) and risk management procedures, as well as environmental issues; and
- reviewing and approving all major investment and divestment proposals, acquisitions and disposal of assets and interested person transactions ("**IPT**"), if any.

The Board adopted a set of ethical values and standards which establishes the fundamental principles of professional and ethical conduct expected of the Directors in the performance of their duties. It includes guidelines on matters relating to conflicts of interest. When an actual, potential and perceived conflict of interest arises, the concerned Director must disclose such interest, recuse himself or herself from discussions and decisions involving the matter and abstain from voting on resolutions regarding the matter.

Provision 1.2 **Directors understand the Company's business as well as their directorship duties (including their roles as executive, non-executive and independent directors). Directors are provided with opportunities to develop and maintain their skills and knowledge at the Company's expense. The induction, training and development provided to new and existing directors are disclosed in the Company's annual report.**

Our Directors are provided with extensive background information about our Group's history, mission, values and business operations. The Directors may, at any time, visit the Group's production facilities or attend trade shows and customer activities to gain a better understanding of the Group's business.

All newly appointed Directors will undergo an orientation program to get them familiarised with the Group's business, organisation structure, policies and corporate governance practices to facilitate the effective discharge of their duties. The Directors continuously update themselves on new laws, regulations and changing commercial risks. Every Director is also invited and encouraged to seek additional training to further their skills in performing their duties, including attending classes and/or events organised by the Singapore Institute of Directors ("**SID**"). Directors are also informed of upcoming conferences or seminars relevant to their roles as directors of the Company. Such training by all newly appointed and existing Directors are funded by the Company.

If regulatory changes have a material impact on either the Group or the Directors, the Management will update the Directors during the Board meetings. The Company Secretary (or his/her representatives) also briefs the Directors on key regulatory changes and updates, while Deloitte & Touche LLP, the external auditors ("**External Auditors**") of the Company briefs the Audit Committee on key amendments to the accounting standards.

Provision 1.3 **The Board decides on matters that require its approval and clearly communicates this to Management in writing. Matters requiring board approval are disclosed in the Company's annual report.**

The matters which specifically require the Board's approval or guidance are those involving:

- material acquisitions and disposals of assets exceeding S$250,000;
- material new investments;
- borrowings, corporate or financial restructuring;
- capital expenditure exceeding S$250,000;

CORPORATE GOVERNANCE REPORT

- material IPT;
- share issuances, dividends and other returns to shareholders;
- establishment of strategies and objectives;
- setting the Group's budget and financial plans;
- monitoring financial and management performances;
- authorising executive compensation;
- evaluating internal controls and risk management;
- approving half-yearly and year-end financial results announcements; and
- commitments to banking facilities granted by financial institutions and overseeing corporate governance.

The Company documents the materiality threshold(s) and matters reserved for board approval. Certain important matters could be subject to the recommendation of the respective Board Committees. Matters which the Board considers suitable for delegation to a Board Committee are contained in the terms of reference of the respective Board Committees.

Provision 1.4 **Board committees, including Executive Committees (if any), are formed with clear written terms of reference setting out their compositions, authorities and duties, including reporting back to the Board. The names of the committee members, the terms of reference, any delegation of the Board's authority to make decisions, and a summary of each committee's activities, are disclosed in the Company's annual report.**

To assist in the execution of its responsibilities, the Board has delegated specific responsibilities to the three (3) Board Committees, namely, the Audit Committee ("**AC**"), the Nominating Committee ("**NC**") and the Remuneration Committee ("**RC**") (collectively "**Board Committees**"). The Board Committees operate within clearly defined terms of reference (as detailed under the Provision 4, 6 and 10 of this report) which are reviewed on a regular basis to ensure their continued relevance and efficacy. The composition and description of each Board Committee are also set out in other sections of this report. While the Board Committees have the authority to examine particular issues and report back to the Board with their decisions and/or recommendations, the ultimate responsibility on all matters still lies with the entire Board.

The Board Committees, which operate within clearly defined terms of reference, are actively engaged and play an important role in ensuring good corporate governance of the Group. All recommendations of the Board Committees are subsequently reviewed by the Board.

As at the date of this report, the Board comprises four (4) members, three (3) of whom are Independent Directors, and the composition of the Board and the Board Committees are as follows:

Name of Director	Designation	Board Committee Membership		
		AC	NC	RC
Yap Meng Sing	Executive Chairman and Chief Executive Officer	–	–	–
Limjoco Ross Yu	Lead Independent Director	Chairman	Member	Member
Tay Boon Zhuan	Independent Director	Member	Chairman	Member
Lau Yan Wai	Independent Director	Member	Member	Chairman

CORPORATE GOVERNANCE REPORT

Provision 1.5 **Directors attend and actively participate in Board and board committee meetings. The number of such meetings and each individual director's attendances at such meetings are disclosed in the Company's annual report. Directors with multiple board representations ensure that sufficient time and attention are given to the affairs of each Company.**

The Board meets regularly on a quarterly basis, save when the need for such meetings was dispensed while the Company was under judicial management. Additional meetings are also held from time to time as may be required to address any significant matters that may arise.

The table below sets out the number of Board and Board Committees meetings held for FY2023 and the attendance of each Director at these meetings:

	Board of Directors Meetings		Audit Committee Meetings		Remuneration Committee Meetings		Nominating Committee Meetings	
Name of Incumbent Director	**No. held**	**No. attended**	**No. held**	**No. attended**	**No. held**	**No. attended**	**No. held**	**No. attended**
Yap Meng Sing	4	4	4	4*	1	1*	1	1*
Koh Mia Seng[1]	4	1	4	–	1	–	1	–
Limjoco Ross Yu	4	4	4	4	1	1	1	1
Tay Boon Zhuan	4	4	4	4	1	1	1	1
Lau Yan Wai	4	4	4	4	1	1	1	1

* By invitation

1 Mr. Koh Mia Seng, upon conclusion of the FY2022 Annual General Meeting held on 22 September 2023, retired as Non-Executive Director of the Company.

The Company's Constitution ("**Constitution**") provides for meetings of the Directors to be held by means of telephone conference or other simultaneous communication methods. The Board may conduct conference calls to expedite the decision-making process for critical matters. The Board and Board Committees also approve transactions by way of written resolutions, which are circulated to the Board together with all relevant information regarding the proposed transaction.

Dates of Board meetings, Board Committee meetings and Annual General Meetings ("**AGMs**") are scheduled in advance in consultation with all of the Directors. A Director who is unable to attend the meeting in person is invited to participate in the meeting via telephone or video conference.

When a Director has multiple board representations, the NC also considers whether or not the Director is able to and has adequately carried out his duties as a Director of the Company, taking into consideration the Director's number of listed company board representations and other principal commitments. Directors with multiple board representations also ensure that sufficient time and attention are given to the affairs of each Company.

CORPORATE GOVERNANCE REPORT

Provision 1.6 **Management provides directors with complete, adequate and timely information prior to meetings and on an on-going basis to enable them to make informed decisions and discharge their duties and responsibilities.**

The Directors are regularly provided with complete, adequate and timely information prior to Board meetings to enable them to fulfil their duties. The Management provides the Board with quarterly management accounts and business updates to enable the Directors to make informed decisions, as well as to gain a better understanding of the Group's business.

Provision 1.7 **Directors have separate and independent access to Management, the Company secretary, and external advisers (where necessary) at the Company's expense. The appointment and removal of the Company secretary is a decision of the Board as a whole.**

The Directors have separate and independent access to the Management and all the Group's records at all times in carrying out their duties.

The Directors have separate and independent access to the Company Secretary and other professional advisors, as and when necessary, to discharge his/her responsibilities effectively. In addition, the Directors, either individually or as a group, may seek separate independent professional advice, if necessary to enable them to discharge their duties. The cost of all such professional advice is borne by the Company.

The Company Secretary ensures that applicable rules and regulations are complied with and assists the Board in implementing corporate governance practices. The Company Secretary also prepares minutes for all Board meetings and assists the Chairman, the Chairman of each Board Committee and key management personnel in the development of the agendas for the various Board and Board Committee meetings to ensure good information flows within the Board and its Board Committees and between Management and non-executive directors, advising the Board on all governance matters, as well as facilitating orientation and assisting with professional development, if required.

In addition, the Company Secretary (or her representatives) had attended all Board and Board Committee meetings of the Company in FY2023.

The appointment and the removal of the Company Secretary are subject to the Board's approval.

BOARD COMPOSITION AND GUIDANCE

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

Provision 2.1 **An "independent director" is one who is independent in conduct, character and judgement, and has no relationship with the Company, its related corporations, its substantial shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the director's independent business judgement in the best interests of the Company.**

The criterion for independence is based on the definition set out in the Code, and taking into consideration whether the Directors falls under any circumstances pursuant to Rule 406(3)(d) of the Catalist Rules.

CORPORATE GOVERNANCE REPORT

As at the date of this report, the Board comprise one (1) Executive Chairman and three (3) Independent Non-Executive Directors. The current Board composition complies with the Code's guidelines where Independent Directors make up a majority of the Board when the Chairman of the Board is not independent, being the Executive Chairman and Chief Executive Officer of the Company, as well as a controlling Shareholder. The Board is able to exercise objective judgement on corporate affairs independently and constructively challenge key decisions, taking into consideration the long-term interests of the Group and its stakeholders. Further, all Board Committees are chaired by Independent Non-Executive Directors and a majority of the members of the Board Committees are Independent Non-Executive Directors. No individual or small group of individuals dominates the Board's decision-making.

The NC is responsible for reviewing the independence of each Director based on the provisions set out in the Code. In the review and deliberation of the independence of the three (3) Independent Directors, the NC has considered the applicable Catalist Rules, the definition of "independent" as set out under Provision 2.1 of the Code and all nature of relationships and circumstances (including those as set out under the accompanying Practice Guidance to the Code) that could influence the judgement and decisions of the Directors.

Each Independent Director is required to complete an annual declaration to confirm his independence based on the applicable Catalist Rules, and the definition of "independent" and guidelines as set out under the Code and its accompanying Practice Guidance. The Independent Directors must also confirm whether they consider themselves independent despite not having any relationship identified under the applicable Catalist Rules and the Code and its accompanying Practice Guidance. Based on the confirmation of independence submitted by the Independent Non-Executive Directors and the results of the NC's review, the NC was of the view that each Independent Non-Executive Director is independent in accordance with the Code and Catalist Rule 406(3)(d) as the Independent Directors:

(i) are not employed by the Company or any of its related corporations for the current or any of the past three financial years;

(ii) do not have an immediate family member who is employed or has been employed by the Company or any of its related corporations for the past three financial years, and whose remuneration is determined by the RC; or

(iii) have not served as a director of the Company for an aggregate period of more than nine years.

As at the date of this report, none of the Independent Non-Executive Directors on the Board has served for more than nine years from the date of his initial appointment.

Provision 2.2 **Independent directors make up a majority of the Board where the Chairman is not independent.**

Provision 2.3 **Non-executive directors make up a majority of the Board.**

As at the date of this report, the Independent Non-Executive Directors made up the majority of the Board.

The Board is currently made up of four (4) members, one (1) Executive Chairman and three (3) Independent Non-Executive Directors. Accordingly, the Company has complied with the relevant Provisions 2.2 and 2.3 of the Code as Independent and Non-Executive Directors make up a majority of the Board.

CORPORATE GOVERNANCE REPORT

Provision 2.4 **The Board and board committees are of an appropriate size, and comprise directors who as a group provide the appropriate balance and mix of skills, knowledge, experience, and other aspects of diversity such as gender and age, so as to avoid groupthink and foster constructive debate. The board diversity policy and progress made towards implementing the board diversity policy, including objectives, are disclosed in the Company's annual report.**

The Board and the NC regularly examine the Board's size and, with a view to determine the impact of the number upon effectiveness, decide on an appropriate size for the Board, taking into account the scope and nature of the Group's operations.

The Board and NC take into account, inter alia, the Directors' contributions, areas of expertise and scope of work on an annual basis in evaluating whether the Board's composition is adequate.

The Board comprises Directors who, as a whole, have the core competencies and experience necessary to discharge their duties as Directors, lead and manage the Group's businesses and operations. The current composition of the Board comprises Directors with appropriate mix of expertise, such as accounting, finance, legal, manufacturing and business management, to lead and govern the Group effectively as the Board's Independent Non-Executive Directors are respected individuals drawn from a broad-spectrum of expertise which enables them, in their collective wisdom, to contribute effectively and provide a balance of views at both Board and Board Committee meetings.

Major proposals and decisions made by the Board are subject to majority approval by the members of the Board. The appointment of new Board members, nomination of directors for re-election and review of the Board and individual Directors' performance are carried out by the NC.

The Group's Board Diversity Policy endorses the principle that its Board should have a balance of skills, knowledge, experience and diversity of perspectives appropriate to its business so as to mitigate against groupthink and to ensure that the Group has the opportunity to benefit from all available talents. In reviewing Board composition and succession planning, the NC considers the benefits of all aspects of diversity, including diversity of background, experience, gender, age and other relevant factors. These differences will be considered in determining the optimum composition of the Board and when possible, should be balanced appropriately. The NC will continue to review the Board Diversity Policy, as appropriate, to ensure its effectiveness, and will recommend appropriate revisions to the Board for consideration and approval. The NC will also continue its identification and evaluation of suitable candidates to ensure there is diversity (including gender diversity) on the Board. This assists the NC in identifying and nominating suitable candidates for appointment to the Board.

Profile of the respective Directors are set out in the section titled "**Board of Directors**" of this Annual Report.

Provision 2.5 **Non-executive directors and/or independent directors, led by the independent Chairman or other independent director as appropriate, meet regularly without the presence of Management. The chairman of such meetings provides feedback to the Board and/or Chairman as appropriate.**

The Independent Non-Executive Directors, led by the Lead Independent Director, confer regularly with the Executive Directors and Management to develop strategies for the Group, review the performance of Management, assess remuneration and discuss corporate governance matters. The feedback and views expressed by the Independent Directors will be communicated by the Lead Independent Director to the Board and/or the Executive Chairman, as appropriate. The Independent Directors had met at least once in FY2023, without the presence of the Management so as to facilitate a more effective check on the Management.

CORPORATE GOVERNANCE REPORT

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

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

Provision 3.1 **The Chairman and the Chief Executive Officer ("CEO") are separate persons to ensure an appropriate balance of power, increased accountability, and greater capacity of the Board for independent decision making.**

Provision 3.2 **The Board establishes and sets out in writing the division of responsibilities between the Chairman and the CEO.**

Mr. Yap is the Chairman and CEO of the Company to manage and oversee the overall business operations and performance of the Group. While the roles of Chairman and CEO are held by the same person, there is a clear division of responsibilities between the leadership of the Board and the Management responsible for managing the Company's business.

As the Chairman of the Board, Mr. Yap ensures that Board meetings will be held at least half-yearly and as and when necessary, sets Board meeting agenda, promotes a culture of openness and debate at the Board and ensures that adequate time is available for discussion of all agenda items, in particular strategic issues. He ensures that Board members are provided with complete, adequate and timely information on a regular basis to enable them to be fully cognizant of the affairs of the Group as well as effective communication with Shareholders. He encourages constructive relations and effective contribution within the Board and between the Board and the Management. He also takes a leading role in ensuring that the Company strives to achieve and maintain high standards of corporate governance and an appropriate balance of power, increased accountability, and greater capacity of the Board for independent decision-making.

As the CEO of the Company, Mr. Yap is responsible for the effective management and supervision of the daily business operations of the Group in accordance with the strategies, policies, budget and business plans as approved by the Board. The major decisions are made in consultation with the Board, a majority of which comprises Non-Executive and Independent Directors.

Although the roles of Chairman of the Board and CEO are not separated, the Board is of the view that there are sufficient safeguards and checks to ensure that the process of decision making by the Board is independent and based on collective decisions without any individual or group of individuals exercising any considerable concentration of power or influence and there is accountability for good corporate governance. All the Board Committees are chaired by Independent Directors and a majority of the Board consists of Independent Directors. The NC will also assess the performance and effectiveness of Mr. Yap on his performance as Chairman separately from that of CEO.

Provision 3.3 **The Board has a lead independent director to provide leadership in situations where the Chairman is conflicted, and especially when the Chairman is not independent.**

The lead independent director is available to shareholders where they have concerns and for which contact through the normal channels of communication with the Chairman or Management are inappropriate or inadequate.

CORPORATE GOVERNANCE REPORT

Taking cognisance that the Chairman of the Board is an Executive Director cum CEO and thus not independent, the Board has designated a Lead Independent Director whose role includes:

(a) providing leadership in situations where the Executive Chairman is conflicted and especially when the Executive Chairman is not independent;

(b) serving as a sounding board for the Executive Chairman and as an intermediary between the Non-Executive and Independent Directors and the Executive Chairman;

(c) promoting high standards of corporate governance and effective communication between the shareholders and the Company; and

(d) co-ordinating and leading the Independent Directors to provide a non-executive perspective and contribute to a balance of viewpoints on the Board.

The current Lead Independent Director is Mr. Limjoco Ross Yu ("**Mr. Limjoco**") who was appointed on 23 September 2022. He is available to shareholders and stakeholders should they have concerns with regards to the Group that cannot be resolved or are inappropriate or inadequate to raise through the normal communication channels with the Executive Chairman and CEO or the Management.

There was no query or request on any matters which requires the Lead Independent Director's attention received in FY2023.

BOARD MEMBERSHIP

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

Provision 4.1 **The Board establishes a Nominating Committee ("NC") to make recommendations to the Board on relevant matters relating to:**

(a) the review of succession plans for directors, in particular the appointment and/or replacement of the Chairman, the CEO and key management personnel;

(b) the process and criteria for evaluation of the performance of the Board, its board committees and directors;

(c) the review of training and professional development programmes for the Board and its directors; and

(d) the appointment and re-appointment of directors (including alternate directors, if any.

CORPORATE GOVERNANCE REPORT

The NC has its terms of reference, setting out its duties and responsibilities, which include the following:

1. making recommendations to the Board on the appointment and re-election of Directors to the Board;

2. reviewing the size and composition of the Board;

3. evaluating the effectiveness of the Board as a whole and the contribution of each individual Director to the effectiveness of the Board;

4. determining the independence of Directors, at least annually;

5. determining orientation programs for new Directors and recommending opportunities for the continuing training of the Directors;

6. formulating and implementing succession plan;

7. reviewing the appointment of immediate family members of the Company's Directors or substantial shareholders to managerial positions in the Group; and

8. reviewing the performance of the Directors who have multiple listed board representation.

The NC makes recommendations to the Board on all Board appointments and on the composition of Executive and Independent Non-Executive Directors of the Board. It is also charged with re-nominating directors who are retiring by rotation as well as determining annually whether or not a director is independent.

Provision 4.2 **The NC comprises at least three directors, the majority of whom, including the NC Chairman, are independent. The lead independent director, if any, is a member of the NC.**

As at the date of this report, the NC comprised three (3) members, all of whom including the NC Chairman, are independent Directors. The Lead Independent Non-Executive Director is a member of the NC. The NC comprises the following members:

(a) Mr. Tay Boon Zhuan (Chairman)
(b) Mr. Lau Yan Wai
(c) Mr. Limjoco

Where a Director has multiple board representations in other listed companies and other principal commitments, the NC will evaluate whether or not the Director is able to carry out and has been adequately carrying out his/her duties as a Director of the Company taking into consideration his time and resources allocated to the affairs of the Company. The NC is of the view that all the Directors are able to devote to the Company's affairs in light of their other commitments and therefore, the Board has not capped the maximum number of listed board representations each Director is allowed to hold. The NC and the Board will review the requirements to determine the maximum number of listed board representations as and when it deems fit.

CORPORATE GOVERNANCE REPORT

The Board and the NC have endeavoured to ensure that the Directors appointed to the Board possess the relevant experience, knowledge and expertise critical to the Group's business.

The Company does not have any alternate director.

Provision 4.3 **The Company discloses the process for the selection, appointment and re-appointment of directors to the Board, including the criteria used to identify and evaluate potential new directors and channels used in searching for appropriate candidates in the Company's annual report.**

When the need for a new director is identified, either to replace a retiring director or to enhance the Board's capabilities, the NC will make recommendations to the Board regarding the identification and selection of suitable candidates based on the desired qualifications, skill sets, competencies and experience, which are required to supplement the Board's existing attributes. If need be, the NC may seek assistance from external search consultants for the selection of potential candidates. Directors and Management may also put forward names of potential candidates, together with their curriculum vitae, for consideration.

The NC, after completing its assessment, meets with the short-listed candidates to assess their suitability, before submitting the appropriate recommendations to the Board for approval. The Board then appoints the most suitable candidate who must stand for election at the next AGM of shareholders.

In accordance with Rule 720(4) of the Catalist Rules, all Directors need to submit themselves for re-nomination and re-appointment at least once every three (3) years. Further, in accordance with Regulation 89 of the Constitution, one-third of the Directors (or, if their number is not a multiple of three, the number nearest to but not less than one-third) shall retire from office by rotation at every AGM of the Company. Any Director appointed by the Board during the financial year shall hold office only until the next AGM. A retiring Director shall be eligible for re-election.

At the forthcoming AGM of the Company, Mr. Tay Boon Zhuan ("**Mr. Tay**") and Mr. Limjoco will be retiring pursuant to Regulation 89 of the Company's Constitution. Mr. Tay has indicated his consent to seek re-election and Mr. Limjoco has indicated his intention to retire and not to seek re-election at the forthcoming AGM. The NC has recommended and the Board has agreed that Mr. Tay be nominated for re-election at the forthcoming AGM. In making the recommendations, the NC takes into consideration, amongst others, the retiring directors' attendance record at meetings of the Board and Board Committees, preparedness, participation and candour at such meetings as well as quality of input and contributions.

Pursuant to Rule 720(5), please refer to the section entitled "Additional Information on Directors Seeking Re-election" of this Annual Report for the information as out in Appendix 7F to the Catalist Rules relating to Mr. Tay.

Each member of the NC shall abstain from voting, approving or making a recommendation on any resolution of the NC in which he has a conflict of interest in the subject matter under consideration.

CORPORATE GOVERNANCE REPORT

Provision 4.4

The NC determines annually, and as and when circumstances require, if a director is independent, having regard to the circumstances set forth in Provision 2.1. Directors disclose their relationships with the Company, its related corporations, its substantial shareholders or its officers, if any, which may affect their independence, to the Board. If the Board, having taken into account the views of the NC, determines that such directors are independent notwithstanding the existence of such relationships, the Company discloses the relationships and its reasons in its annual report.

The Company has put in place a process to ensure the continuous monitoring of the independence of the Directors whereby the Directors must immediately report any changes in their external appointments that could affect their independence on the Board.

The NC reviews the independence of each Director annually in accordance with the definition of independence set out in the Code, and taking into consideration whether the Director falls under any circumstances pursuant to Rule 406(3)(d) of the Catalist Rules. In respect of the Company's current Independent Directors, namely Mr. Limjoco, Mr. Lau and Mr. Tay, the Board is of the view that they are independent, taking into account the circumstances set forth in the Code and Rule 406(3)(d) of the Catalist Rules.

For FY2023, the Independent Directors have also confirmed their independence in accordance with the Code and its accompanying Practice Guidance, and Rule 406(3)(d) of the Catalist Rules and there was no alternate director on the Board.

Provision 4.5

The NC ensures that new directors are aware of their duties and obligations. The NC also decides if a director is able to and has been adequately carrying out his or her duties as a director of the Company. The Company discloses in its annual report the listed Company directorships and principal commitments of each director, and where a director holds a significant number of such directorships and commitments, it provides the NC's and Board's reasoned assessment of the ability of the director to diligently discharge his or her duties.

Unless exempted, it is required under Rule 406(3)(a) of the Catalist Rules for first-time appointees on boards of public listed companies in Singapore to attend the Listed Entity Director ("**LED**") programme organised by the Singapore Institute of Directors ("**SID**") as prescribed under Practice Note 4D of the Catalist Rules. In addition, all Board members have completed the mandated sustainability training course required by the enhanced SGX sustainability reporting rules announced in December 2021. Where appropriate, the responsibilities of a Director are clearly delineated in their appointment letter or service agreement (as the case may be). All Directors declare their board memberships and principal commitments as and when practicable. The NC has reviewed and is satisfied that all Directors have devoted sufficient time and attention to the affairs of the Group to adequately perform their duties as directors of the Group.

In accessing the capacity of the Directors, the NC takes into consideration the expected and/or competing time commitments of the Directors, size and composition of the Board, and nature and scope of the Group's operations and size.

The NC will conduct a rigorous review if any of the Directors hold more than six listed Company board representations. The Board and the NC will review the requirement to determine the maximum number of listed board representations as and when they deem fit.

CORPORATE GOVERNANCE REPORT

The NC and Board are satisfied that the Directors were able to and had adequately carried out their duties as Directors of the Company in FY2023.

Details of the Directors' academic and professional qualifications, date of first appointment and other relevant information are set out on in the "**Board of Directors**" section of this Annual Report.

BOARD PERFORMANCE

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

Provision 5.1 **The NC recommends for the Board's approval the objective performance criteria and process for the evaluation of the effectiveness of the Board as a whole, and of each board committee separately, as well as the contribution by the Chairman and each individual director to the Board.**

The NC assesses the effectiveness of the Board as a whole, its Board Committees and the contribution of each individual Director to the effectiveness of the Board on an annual basis. Objective performance criterias used to assess the performance of the Board include both quantitative and qualitative criteria. The Board and the NC believe that the financial indicators are mainly used to measure the Management's (including Executive Directors') performance and hence are less applicable to the Independent Non-Executive Directors.

Provision 5.2 **The Company discloses in its annual report how the assessments of the Board, its board committees and each director have been conducted, including the identity of any external facilitator and its connection, if any, with the Company or any of its directors.**

The performance criteria for the Board and Board Committees' evaluation, as determined by the NC, cover the following areas:

1. Board Composition and Structure;
2. Conduct of Meetings;
3. Corporate Strategy and Planning;
4. Risk Management and Internal Control;
5. Measuring and Monitoring Performance;
6. Training and Recruitment;
7. Compensation;
8. Financial Reporting;
9. Chairman of the Board;
10. Board Committees; and
11. Communicating with Shareholders.

The abovementioned performance criteria do not change from year to year.

All NC members have abstained from the voting or review process of any matters in connection with the assessment of his performance and/or re-nomination as a Director.

CORPORATE GOVERNANCE REPORT

The assessment parameters for each Director include their knowledge and abilities, attendance records at the meetings of the Board and Board Committees, and the intensity and quality of participation at meetings. The NC and the Board have relied on the abovementioned parameters to evaluate the Directors' contribution individually and have taken such evaluation into consideration for the re-nomination of the Directors.

The replacement of a Director, when it occurs, does not necessarily reflect the Director's performance, but may be driven by the need to align the Board with the needs of the Group.

During FY2023, the Board has met to discuss the evaluation of the performance of the Board and the Board Committees and is of the view that the Board and the Board Committees have satisfactorily met the performance objectives for FY2023.

There was no external facilitator being engaged in the evaluation process for FY2023. Where relevant, the NC will consider such engagement.

REMUNERATION MATTERS

PROCEDURES FOR DEVELOPING REMUNERATION POLICIES

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

Provision 6.1 **The Board establishes a Remuneration Committee ("RC") to review and make recommendations to the Board on:**

(a) a framework of remuneration for the Board and key management personnel; and

(b) the specific remuneration packages for each director as well as for the key management personnel.

The RC, which terms of reference are approved by the Board, reviews and makes recommendations to the Board on the framework of remuneration packages and policies applicable to the CEO, Executive Directors and key management personnel, as follows:

1. recommending to the Board a framework of review procedures for fixing the remuneration packages of the Directors and key management personnel of the Group;

2. reviewing the appropriateness of the remuneration packages in relation to the level of contribution and performance of each Director and key management personnel of the Group; and

3. reviewing the remuneration package of the Group's employees who are immediate family members of the Directors or substantial shareholders of the Company.

CORPORATE GOVERNANCE REPORT

The RC reviews the remuneration packages and employment contracts of the CEO, Executive Directors and key management personnel in order to attract and retain capable executives through competitive compensation. The RC recommends for the Board's endorsement, a framework of compensation that covers aspects of remuneration including Directors' fees, salaries, allowances, bonuses, benefits-in-kind and specific remuneration packages for the CEO, Executive Directors and key management personnel.

The RC ensures that a formal and transparent procedure is in place for fixing the remuneration packages of each individual Director and key management personnel of the Group. The recommendations of the RC are submitted for endorsement by the Board. Each member of the RC shall abstain from voting on any resolution in respect of his or her own remuneration package.

Provision 6.2 **The RC comprises at least three directors. All members of the RC are non-executive directors, the majority of whom, including the RC Chairman, are independent.**

The RC comprised three (3) Independent Non-Executive Directors for FY2023. The majority of the members, including the Chairman of the RC, are independent comprises of:

(a) Mr. Lau (Chairman)
(b) Mr. Tay
(c) Mr. Limjoco

Provision 6.3 **The RC considers all aspects of remuneration, including termination terms, to ensure they are fair.**

The RC's review of remuneration packages covers all aspects of remuneration, including but not limited to Directors' fees, salaries, allowances, bonuses, options, profit sharing (where applicable) and benefits-in-kind. The RC has full authority to obtain any external professional advice on matters relating to remuneration as and when the need arises.

The RC also reviews the Company's obligations arising from termination clauses and termination processes in relation to the Executive Directors' and key management personnel's contracts of service to ensure that such clauses and processes are fair and reasonable.

In setting out the remuneration packages, the RC would take into consideration pay and employment conditions within the industry and in comparable companies. The remuneration packages take into account the Company's relative performance and the performance of the individual Directors or key management personnel.

The RC's recommendations are submitted to the entire Board for review and approval. Each member of the RC shall abstain from voting on any resolution concerning his own remuneration.

Provision 6.4 **The Company discloses the engagement of any remuneration consultants and their independence in the Company's annual report.**

No Director will be involved in determining his/her own remuneration. The RC may consider utilising external expert advice and data, as and when necessary, to assist in the evaluation of its compensation recommendations. None of the RC members or Directors is involved in deliberations in respect of any remuneration, compensation or any form of benefit to be granted to him/her or someone related to him/her.

CORPORATE GOVERNANCE REPORT

LEVEL AND MIX OF REMUNERATION

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

Provision 7.1 **A significant and appropriate proportion of executive directors' and key management personnel's remuneration is structured so as to link rewards to corporate and individual performance. Performance-related remuneration is aligned with the interests of shareholders and other stakeholders and promotes the long-term success of the Company.**

The remuneration policy of the Company is to provide compensation packages at market rates, which reward successful performance and attract, retain and motivate Executive Directors and key management personnel.

In reviewing and determining the remuneration packages of the Executive Directors and the Group's key management personnel, the RC considers the Executive Directors' and key management personnel's responsibilities, skills, expertise and contribution to the Group's performance when designing their respective remuneration packages. An appropriate proportion of their remuneration is linked to individual and corporate performance and is aligned with the interests of Shareholders.

The Company had no long-term incentive schemes during FY2023.

Provision 7.2 **The remuneration of non-executive directors is appropriate to the level of contribution, taking into account factors such as effort, time spent, and responsibilities.**

Non-Executive Directors (including Independent Directors) receive Directors' fees from the Company. When reviewing the structure and level of Directors' fees for the Non-Executive Directors (including Independent Directors), the RC takes into account factors such as effort and time spent, responsibilities of the Directors and the need to pay competitive fees to attract, retain and motivate the Directors. The Independent Directors shall not be over-compensated to the extent that their independence may be compromised. There are no share-based compensation schemes in place for Non-Executive Directors (including Independent Directors).

Directors' fees are endorsed by the RC and recommended by the Board for Shareholders' approval at the AGM of the Company. Directors' fees of S$173,000 for FY2023 (to be paid quarterly in arrears) had been approved by Shareholders at the last AGM held on 22 September 2023. Directors' fees of S$125,000 for the financial year ending 30 September 2024 (to be paid quarterly in arrears) have been recommended by the Board and will be subject to the approval of Shareholders at the forthcoming AGM.

Each member of the RC abstains from deliberating on or making recommendations in respect of any proposed amounts to be paid by the Company to him/her.

CORPORATE GOVERNANCE REPORT

Provision 7.3 **Remuneration is appropriate to attract, retain and motivate the directors to provide good stewardship of the Company and key management personnel to successfully manage the Company for the long term.**

For FY2023, there are currently no incentive schemes on share options or share related payments for the Executive Directors and key management personnel. The Board uses contractual provisions or other measures to reclaim any approved bonuses or other payments from the parties involved should there be any misstatements of financial results, or of misconduct resulting in financial loss to the Group.

The RC is of the view that the remuneration is appropriate to attract, retain and motivate the Executive Directors and key management personnel to successfully manage the Company for the long term.

DISCLOSURE ON REMUNERATION

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

Provision 8.1 **The Company discloses in its annual report the policy and criteria for setting remuneration, as well as names, amounts and breakdown of remuneration of:**

(a) each individual director and the CEO; and

(b) at least the top five key management personnel (who are not directors or the CEO) in bands no wider than S$250,000 and in aggregate the total remuneration paid to these key management personnel.

Provision 8.3 **The Company discloses in its annual report all forms of remuneration and other payments and benefits, paid by the Company and its subsidiaries to directors and key management personnel of the Company. It also discloses details of employee share schemes.**

The Company's remuneration policy is one that seeks to ensure that the remuneration offered is competitive and sufficient to attract, retain and motivate the Executive Directors and key management personnel to achieve the Company's business vision and create sustainable value for its stakeholders.

The remuneration policy adopted by the Group comprises a fixed component and a performance-related variable component. The fixed component is in the form of a base salary. The variable component is in the form of a bonus and depends on the relative performance of the Company and the performance of each individual Executive Director and key management personnel, allowing for the alignment of their interests with that of Shareholders. The Executive Directors do not receive Directors' fees.

During the financial year under review, there were no termination, retirement or post-employment benefits granted to any Director or key management personnel.

CORPORATE GOVERNANCE REPORT

The details of the level and mix of remuneration of the Directors (including the Independent Directors) for their services rendered during FY2023 are as follows:

Name	Salary* (%)	Bonus# (%)	Directors' Fees (%)	Allowance and other benefits (%)	Total (%)
S$400,000 to S$500,000					
Yap Meng Sing	75	18	–	7	100
Below S$250,000					
Koh Mia Seng[1]	–	–	–	–	–
Limjoco Ross Yu	–	–	100	–	100
Tay Boon Zhuan	–	–	100	–	100
Lau Yan Wai	–	–	100	–	100

1 Mr. Koh Mia Seng, upon conclusion of the FY2022 Annual General Meeting held on 22 September 2022, retired as Non-Executive Director of the Company.

During the financial year under review, the Group has five (5) key management personnel. The details of the level and mix of remuneration (in percentage terms) of the key management personnel (who are not Directors or the CEO) for their services rendered during FY2023 are as follows:

Name	Salary* (%)	Bonus# (%)	Allowance and other benefits (%)	Total (%)
S$250,000 to S$500,000				
Foo Say Kit	59	30	11	100
Queenie Foo Quek Cheng	73	22	5	100
Below S$250,000				
Shann Yap Shiau Wei[1]	72	24	4	100
Pua Kai Chek	54	37	9	100
Lim Soon Wah	74	26	–	100

1 Ms. Shann Yap Shiau Wei is the daughter of Mr. Yap Meng Sing, Executive Chairman and CEO. She was appointed as the General Manager cum Personal Assistant to the Executive Chairman of the Company with effect from 1 February 2023.

* The salary amount shown is inclusive of Central Provident Fund ("**CPF**"), all fees other than directors' fees and other emoluments.

\# The bonus amount shown is inclusive of CPF.

No stock options were granted in FY2023 as the Company has no employees' shares option scheme in place.

CORPORATE GOVERNANCE REPORT

In FY2023, the aggregate remuneration paid to the key management personnel (who are not Directors or the CEO) was S$1.04 million.

The performance criteria used to assess the remuneration of Executive Directors and key management personnel is based on the profitability of the Group, leadership, as well as the Executive Directors' and key management personnel's compliance in all audit matters. There are currently no long-term incentives for the Executive Directors and key management personnel. The Executive Directors' and key management personnel's short-term incentives (namely the performance-related variable component) are recommended by the RC and approved by the Board. The Board, taking into consideration the competitive business environment, decided not to disclose the exact details of the remuneration of each individual Director and key management personnel (who are not Directors of the Company) be kept confidential. The Company is of the view that detailed disclosure of such information is sensitive and not in the best interest of the Company as it may have a negative impact on talent attraction and retention (such as poaching) given the highly competitive environment it is operating in. As the Company has a small and tightly-knit team, such disclosure would be disadvantageous to the Company in relation to its competitors and may affect adversely the working relationship, cohesion and spirit of team work prevailing amongst the employees of the Company.

After taking into account the reasons for non-disclosure stated above, the Board is of the view that the current disclosure of the remuneration presented herein in this report is sufficient to provide Shareholders with information on the Group's remuneration policies, as well as the level and mix of remuneration. Accordingly, the Board is of the view that the Company has complied with Principle 8 of the Code.

The Board is, however, aware that in the Company's annual report for the financial year ending on or after 31 December 2024, it will be required to disclose the exact amount and breakdown of remuneration paid to individual directors and the CEO on a named basis. The Company will also be required to disclose the breakdown of remuneration to include in percentage terms base or fixed salary, variable or performance-related income or bonuses, benefits in kind, stock options granted, share-based incentives and awards, and other long-term incentives, in line with Practice Guidance 8 of the Code.

Provision 8.2

The Company discloses the names and remuneration of employees who are substantial shareholders of the Company, or are immediate family members of a director, the CEO or a substantial shareholder of the Company, and whose remuneration exceeds S$100,000 during the year, in bands no wider than S$100,000, in its annual report. The disclosure states clearly the employee's relationship with the relevant director or the CEO or substantial shareholder.

Save as disclosed above under Provision 8.3 and in the table set out below, there were no other employees who are substantial shareholders, or are immediate family members of a Director, CEO or a substantial shareholder of the Company, and whose remuneration exceeds S$100,000 in the Group's employment for FY2023.

CORPORATE GOVERNANCE REPORT

The following table shows a breakdown of the annual remuneration (in percentage terms) of an immediate family member of a director whose remuneration exceeds S$100,000 for FY2023.

Name	Salary* (%)	Bonus# (%)	Allowance and other benefits (%)	Total (%)
S$100,000 to S$200,000				
Shann Yap Shiau Wei[1]	72	24	4	100

* The salary and bonus amounts shown are inclusive of CPF.

1 Ms. Shann Yap Shiau Wei is the daughter of Mr. Yap Meng Sing, Executive Chairman and CEO. She was appointed as the General Manager cum Personal Assistant to the Executive Chairman of the Company with effect from 1 February 2023.

ACCOUNTABILITY AND AUDIT

RISK MANAGEMENT AND INTERNAL CONTROLS

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

Provision 9.1 **The Board determines the nature and extent of the significant risks which the Company is willing to take in achieving its strategic objectives and value creation. The Board sets up a Board Risk Committee to specifically address this, if appropriate.**

The Company manages risks under an overall strategy determined by the Board and supported by the AC. The Company sets acceptable risk management standards and periodically reviews the risks that the Group is subject to.

The Board recognises that it is responsible for the overall internal control framework, but accepts that no internal control system or risk management will preclude all errors and irregularities such as poor judgement in decision making, human error, losses or fraud, as the system is designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable and not absolute assurance against material misstatement or loss. The AC will annually:

- satisfy itself that adequate measures are being made to identify and mitigate any material business risks associated with the Group;
- ensure that a review of the effectiveness of the Group's material internal controls, including financial, operating, information technology and compliance controls and risk management, is conducted at least annually. Such review can be carried out the internal auditors appointed by the Company;

CORPORATE GOVERNANCE REPORT

- ensure that the internal control recommendations made by internal auditors and the management letter recommendations by external auditors (noted during the course of the statutory audit) have been implemented; and

- ensure the Board is in a position to comment on the adequacy and effectiveness of the internal controls of the Group.

The Board with the assistance of the internal auditors, determines the Company's levels of risk tolerance and risk policies and oversees Management in the design, implementation and monitoring of the risk management and internal control systems. The Board also reviews compliance issues, if any, with Management on a half-yearly basis and as and when required.

Provision 9.2 **The Board requires and discloses in the Company's annual report that it has received assurance from:**

(a) the CEO and the Chief Financial Officer ("CFO") that the financial records have been properly maintained and the financial statements give a true and fair view of the Company's operations and finances; and

(b) the CEO and other key management personnel who are responsible, regarding the adequacy and effectiveness of the Company's risk management and internal control systems.

Based on the internal controls established and maintained by the Group, work performed by the internal auditors and external auditors, reviews performed by the Management and the controls and processes which are currently in place, the Board, with the concurrence of the AC, is of the opinion that the Group's internal controls (including financial, operational, compliance and information technology controls) and risk management systems are adequate and effective as at 30 September 2023.

The Board has received and considered the representation letters from the CEO and CFO in relation to the financial information for FY2023. The CEO and CFO have also assured the Board that:

(i) the financial records have been properly maintained and the financial statements for FY2023 give a true and fair view in all material aspects, of the Company's operations and finances; and

(ii) the Group's internal controls and risk management systems are adequate and operating effectively in all material aspects given its current business environment.

The Board has also received written assurance from the CEO and the relevant key management personnel that the system of internal controls (including financial, operational, compliance and information technology controls) and risk management systems in place were adequate and effective as at 30 September 2023 to address the risks that the Group considers relevant and material to its business operations.

CORPORATE GOVERNANCE REPORT

AUDIT COMMITTEE

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

Provision 10.1 **The duties of the AC include:**

(a) reviewing the significant financial reporting issues and judgements so as to ensure the integrity of the financial statements of the Company and any announcements relating to the Company's financial performance;

(b) reviewing at least annually the adequacy and effectiveness of the Company's internal controls and risk management systems;

(c) reviewing the assurance from the CEO and the CFO on the financial records and financial statements;

(d) making recommendations to the Board on: (i) the proposals to the shareholders on the appointment and removal of external auditors; and (ii) the remuneration and terms of engagement of the external auditors;

(e) reviewing the adequacy, effectiveness, independence, scope and results of the external audit and the Company's internal audit function; and

(f) reviewing the policy and arrangements for concerns about possible improprieties in financial reporting or other matters to be safely raised, independently investigated and appropriately followed up on. The Company publicly discloses, and clearly communicates to employees, the existence of a whistle-blowing policy and procedures for raising such concerns.

The AC's main objective is to assist the Board in fulfilling its fiduciary responsibilities relating to internal controls, overseeing the external audit process, reviewing the financial information to be disclosed to the public and ensuring that arrangements are in place for the independent investigation and follow up of reports by staff of improprieties in financial reporting and other matters. To achieve this, the AC ensures that its members have the appropriate qualifications to provide independent, objective and effective oversight.

The AC meets at least on a half-yearly basis to review the half-yearly and full year results of the Group and the audited annual financial statements, SGXNet announcements and all related disclosures to shareholders before recommending the same to the Board for approval. In the process, the AC reviews the basis and reasoning of the Management in the preparation of the financial statements, critical accounting policies and any significant changes that would have an impact on the Company's financials.

The AC evaluates on a yearly basis the adequacy and effectiveness of the internal controls including financial, operational, compliance and information technology controls and regulatory compliance of the Group through discussion with Management and its Internal and External Auditors.

CORPORATE GOVERNANCE REPORT

The Management is responsible for establishing and implementing the internal control procedures in a timely and appropriate manner. For example, the key features of the internal control environment include having clear and defined terms of reference for Board Committees, assigning authority and responsibility in accordance with an authority matrix and written internal control procedures.

The AC reviews the scope of the External Auditors' audit plan and the effectiveness of the results from the independent audit. The AC also reviews the independence and objectivity of the External Auditors as well as the Group's compliance with Section B: Rules of the Catalist of the SGX-ST (the "**Catalist Rules**"), the Code, as well as IPT and whistleblowing reports, if any.

The AC recommends to the Board the appointment, re-appointment and removal of External Auditors, and approves the remuneration and terms of engagement of the External Auditors.

The responsibilities of the AC, based on the written terms of reference, are as follows:

1. reviewing the financial statements of the Company and the Group before they are submitted to the Board for approval;
2. reviewing the audit plans and the external auditors' report with the external auditors;
3. reviewing the independence and objectivity of the external auditors;
4. reviewing management letters from the external auditors and responses from the management;
5. recommending to the Board the appointment, re-appointment and removal of the external auditors, and approving the remuneration and terms of engagement of the external auditors;
6. reviewing the scope and results of the internal audit procedures;
7. ensuring the internal auditors' primary line of reporting is to the AC, in particular the AC Chairman;
8. ensuring the internal audit function is adequately resourced and effective;
9. reviewing the adequacy and effectiveness of the Group's internal controls, including financial, operational and compliance controls and risk management;
10. reviewing IPT, if any; and
11. Commissioning and reviewing the findings of internal investigations conducted where fraud or impropriety is suspected, or where there is a failure of internal controls and infringement of laws, rules or regulations which is likely to have a material impact on the Group.

The Group has established a whistleblowing policy which provides the channel for employees of the Group and external parties to raise their concerns about improprieties in financial reporting or other matters to the AC Chairman or CEO, in good faith and in confidence, sending their mails directly to the Company's registered address, if any.

The procedures for whistle blowing are displayed clearly on the notice boards of the Company and its subsidiaries where staff can call or email the CEO directly on all matters not related to the CEO, and they have access to the AC Chairman for matters relating to the CEO or as they deem appropriate. The follow-up procedures regarding matters raised are also stated and whistleblowers are assured that all actions in good faith will not affect them in their work and staff appraisals. All information received will be treated confidentially and the identity of whistle-blowers will be protected. The objective of such arrangement is to ensure independent investigation of such matters raised and for appropriate follow-up action to be taken.

CORPORATE GOVERNANCE REPORT

Apart from the duties listed above, the AC may commission and review the findings of internal investigations into matters where there is suspected fraud or irregularity, or failure of internal controls or infringement of any Singapore and other applicable law, rule or regulation which has or is likely to have material impact on the Company's or Group's operating results and/or financial position.

The AC is also authorised to investigate any matter within its terms of reference and has full access to and co-operation of the Management and full discretion to invite any Director or executive officer to attend its meetings, and reasonable resources to enable it to discharge its functions properly.

External Audit Function

The Company's current External Auditors are Deloitte & Touche LLP. In the review of the financial statements, the AC has discussed with the Management the accounting principles that were applied and their judgment of items that might affect the integrity of the financial statements. The following significant matter impacting the financial statements was discussed with the Management and the auditors, and was reviewed by the AC:

Key Audit Matter	How the AC reviewed these matters and what decisions were made
Valuation of inventories	The AC considered the approach and methodology applied in the basis and appropriateness of the valuation methodologies used in determining the net realisable value of the inventories. The AC also obtained understanding on the work performed by the EA, including their assessment on the reasonableness of the cost allocation and net realisable value as determined by the Management were appropriate. The valuation of inventories was also an area of focus for the EA. The EA has included this item as a key audit matter in its audit report for FY2023. Please refer to page 57 of this Annual Report.

Annually, the AC conducts a review of all non-audit services provided by the external auditors. The AC will receive an audit report from the external auditors setting out the non-audit services provided and fees charged, and review the nature and extent of such services, to ensure that the non-audit services will not prejudice the independence and objectivity of the external auditors. The total fee paid/payable to the Company's External Auditors for FY2023 are approximately S$465,000. There were no non-audit fees paid to the External Auditors in FY2023.

In compliance with Rule 1204(6)(b) of the Catalist Rules, the AC undertook the annual review of the independence and objectivity of the External Auditors by reviewing the non-audit services provided and the fees paid to them, if any. Considering the non-audit services provided by the External Auditors were conducted before the appointment of External Auditors, as well as the nature and extent of the non-audit services, the AC opines that the independence and objectivity of the External Auditors are not affected, and has recommended the re-appointment of the External Auditors at the forthcoming AGM.

CORPORATE GOVERNANCE REPORT

For FY2023, the Company confirms that it is in compliance with Rules 712 and 715 of the Catalist Rules in relation to the appointment of audit firms for the Group. The AC and the Board are satisfied with the standards and the effectiveness of the audits performed by the independent external auditors of the inactive or dormant subsidiaries of the Group, other than those of the Company.

Provision 10.2 **The AC comprises at least three directors, all of whom are non-executive and the majority of whom, including the AC Chairman, are independent. At least two members, including the AC Chairman, have recent and relevant accounting or related financial management expertise or experience.**

The AC comprised three members, all of whom including the AC Chairman, are Independent Non-Executive Directors. They are:

(a) Mr. Limjoco (Chairman)
(b) Mr. Lau
(c) Mr. Tay

Mr. Limjoco and Mr. Tay are trained in accounting and financial management. The AC members were appropriately qualified to discharge their responsibilities and functions under the terms of reference approved by the Board.

Provision 10.3 **The AC does not comprise former partners or directors of the Company's existing auditing firm or auditing corporation: (a) within a period of two years commencing on the date of their ceasing to be a partner of the auditing firm or director of the auditing corporation; and in any case, (b) for as long as they have any financial interest in the auditing firm or auditing corporation.**

None of the AC members were previous partners or directors of the existing auditing firms within the period of two years and none of the AC members hold any financial interest in the above-mentioned auditing firms.

Provision 10.4 **The primary reporting line of the internal audit function is to the AC, which also decides on the appointment, termination and remuneration of the head of the internal audit function. The internal audit function has unfettered access to all the Company's documents, records, properties and personnel, including the AC, and has appropriate standing within the Company.**

The AC, in consultation with Management, approves the hiring, removal, evaluation and fees of the internal auditors. The objective of the internal audit function is to provide an independent review of the adequacy and effectiveness of the Group's internal controls and provide reasonable assurance to the AC and the Management that the Group's risk management, controls and governance processes are adequate and effective.

The internal auditors report primarily to the AC Chairman and have unrestricted access to documents, records, properties and personnel of the Group.

CORPORATE GOVERNANCE REPORT

The role of the internal auditors is to assist the AC in ensuring that the controls are adequate, effective and functioning as intended, to undertake investigations as directed by the AC and to conduct regular in-depth audits of high risk areas. The AC is satisfied that the internal audit function is independent, adequately resourced, staffed by suitably qualified and experienced professionals and has the appropriate standing within the Company to perform its function effectively.

The internal audit function plans its internal audit schedules in consultation with, but independent of the Management. The audit plan is submitted to the AC for approval prior to the commencement of the internal audit work. In addition, the internal auditors may be involved in ad-hoc projects initiated by the Management which require the assurance of the Internal Auditors in specific areas of concern.

The internal audit function of the Group is currently outsourced to NLA Risk Consulting Pte. Ltd. ("**NLA**"). NLA is part of NLA DFK, a group of accounting and advisory firms with a history in Singapore since 1948. NLA DFK is a member firm of DFK International, a top ten (10) international association of independent accounting firms and business advisers. NLA is a suitably appointed qualified firm of risk consultants (including Certified Internal Auditors), with its processes guided by the International Standards for the Professional Practice of Internal Auditing set by the Institute of Internal Auditors.

The firm currently maintains an outsourced internal audit portfolio of about twenty (20) companies listed on the SGX-ST in various industries, including construction, property development, manufacturing, healthcare, logistics, engineering services and trading. The engagement team from NLA Risk Consulting comprises a director, a manager and is supported by a team of trained internal auditors. The director, Mr. Gary Ng, has over twenty (20) years of relevant experience and is a Certified Internal Auditor, whilst the manager has more than ten (10) years of relevant experience and is also a Certified Internal Auditor.

Provision 10.5 **The AC meets with the external auditors, and with the internal auditors, in each case without the presence of Management, at least annually.**

In the course of FY2023, the AC carried out the following activities, amongst others:

(i) Reviewed the Group's financial performance, internal and external audit reports;

(ii) Reviewed with the Management and the external auditors, the financial results of the Group before submitting them to the Board for its approval and announcement of the financial results;

(iii) Conducted an annual review of the volume of non-audit services provided by the external auditors to ensure that the nature and extent of such services will not prejudice the independence and objectivity of the auditors before recommending their re-nomination to the Board. No non-audit fees were paid to the external auditors in respect of FY2023;

(iv) Reviewed the adequacy, effectiveness, independence, scope and results of the external and internal audit functions;

CORPORATE GOVERNANCE REPORT

(v) Reviewed the annual re-appointment of the external auditors and made a recommendation to the Board for approval;

(vi) Reviewed interested person transactions, if any;

(vii) Reviewed and approved the internal audit plan and external audit plan of the internal auditors and external auditors respectively.

The AC has met with the internal auditors and the external auditors without the presence of the Management to review the adequacy of audit arrangements, with particular emphasis on the scope and quality of their audits, and the independence and objectivity of the internal and external auditors.

SHAREHOLDER RIGHTS AND ENGAGEMENT

SHAREHOLDER RIGHTS AND CONDUCT OF GENERAL MEETINGS

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

Provision 11.1 **The Company provides shareholders with the opportunity to participate effectively in and vote at general meetings of shareholders and informs them of the rules governing general meetings of shareholders.**

Shareholders are informed of the general meetings through the announcement released to the SGXNet and notices contained in the Annual Report or circulars sent to all Shareholders. These notices are also advertised in a national newspaper. Shareholders are also informed of the poll voting procedures at the general meetings. All Shareholders are entitled to attend the general meetings and are provided the opportunity to participate in and vote at the general meetings. If any Shareholder is unable to attend, he/she is allowed to appoint proxy/proxies to vote on his/her behalf at the general meeting through a proxy form sent in advance.

At general meetings, Shareholders are given the opportunity to raise questions to the Directors and the Management relating to the Company's business or performance. The chairpersons and members of the AC, NC and RC, as well as the External Auditors, are present to assist the Directors in addressing any relevant queries raised by Shareholders.

Shareholders participated in the last AGM for the financial year ended 30 September 2022 held on 22 September 2023 ("**FY2022 AGM**"), voting by appointing proxy(ies) and their questions (if any) in relation to any resolution set out in the notice of AGM were sent to the Company in advance of the FY2022 AGM, and responses to the questions were provided via announcement on SGXNet and the Company's corporate website. Shareholders are also informed of the voting procedures prior to the commencement of voting by poll.

CORPORATE GOVERNANCE REPORT

The Company's Constitution permits a shareholder to appoint up to two (2) proxies to attend and vote in his/her stead at these meetings. Furthermore, the Companies Act 1967 allows certain members who are relevant intermediaries (the meaning ascribed to it in Section 181 of the Companies Act 1967 such as corporations holding licenses in providing nominee and custodial services and CPF Board which purchases shares on behalf of CPF investors), to appoint multiple proxies to attend and participate in the general meetings.

All shareholders will receive the Company's annual report and notice of AGM or general meetings and are entitled to attend the general meetings of the Company. They are afforded the opportunity to participate effectively at such meetings and are entitled to vote in accordance with the established voting rules and procedures. The Company conducts poll voting for all resolutions tabled at the general meetings. The rules, including the voting procedures, will be clearly explained by the scrutineers at such general meetings.

In view that the COVID-19 Order had ceased with effect from 1 July 2023, the upcoming AGM for FY2023 will be a physical meeting. There will be no option for shareholders to participate the upcoming physical AGM virtually.

Provision 11.2 **The Company tables separate resolutions at general meetings of shareholders on each substantially separate issue unless the issues are interdependent and linked so as to form one significant proposal. Where the resolutions are "bundled", the Company explains the reasons and material implications in the notice of meeting.**

The Company has separate resolutions at general meetings for each distinct issue. The Company avoids 'bundling' resolutions unless the resolutions are interdependent and linked so as to form one significant proposal. In situations where resolutions are inter-conditional, the Company will provide clear explanations. In line with the Rule 730A of the Catalist Rules, all the resolutions are voted on by way of poll and the Company announces the detailed results showing the number of votes cast for and against each resolution and the respective percentages to the public.

Provision 11.3 **All directors attend general meetings of shareholders, and the external auditors are also present to address shareholders' queries about the conduct of audit and the preparation and content of the auditors' report. Directors' attendance at such meetings held during the financial year is disclosed in the Company's annual report.**

The respective chairpersons of the AC, RC and NC are normally present and available to address questions relating to the work of their respective Board Committees at the general meetings. Furthermore, the external auditors are present to assist the Board in addressing any relevant queries from the Shareholders, including the conduct of audit and the preparation and content of the auditors' report. All Directors will endeavour to be present at the Company's general meetings of Shareholders to address Shareholders' queries. All Directors were present at the FY2022 AGM of the Company held on 22 September 2023.

Provision 11.4 **The Company's Constitution (or other constitutive documents) allow for absentia voting at general meetings of shareholders.**

The Constitution of the Company allows a shareholder of the Company to vote in person or by proxy at the AGM of the Company. Each shareholder is allowed to appoint proxy/proxies to vote on his/her behalf at general meetings through proxy forms sent in advance by the Company. Investors who hold shares through nominees such as the Central Provident Fund (CPF) and custodian banks are allowed to attend the AGM as observers subject to the availability of seats.

CORPORATE GOVERNANCE REPORT

Voting in absentia by mail, facsimile or email, which is currently not permitted, may only be possible following careful study to ensure that the integrity of information and authentication of the identity of Shareholders through the web is not compromised, and legislative changes are effected to recognise remote voting.

Provision 11.5 **The Company publishes minutes of general meetings of shareholders on its corporate website as soon as practicable. The minutes record substantial and relevant comments or queries from shareholders relating to the agenda of the general meeting, and responses from the Board and Management.**

As detailed in the Notice of AGM, the upcoming AGM will be a physical meeting for the Company to engage with its shareholders. Shareholders of the Company can attend the physical meeting and raise questions in advance or during the AGM, and vote in person or through the appointment of proxy(ies).

Minutes are taken of all general meetings which incorporate substantial comments and queries from Shareholders and responses from the Board and Management. Such minutes, which are subsequently approved by the Board, will be made available to Shareholders on the SGXNet. The Company had on 20 October 2023 announced the minutes of the FY2022 AGM on the SGXNet and the Company's website.

For the upcoming AGM for FY2023, the minutes of the AGM will be posted on the SGXNet and the corporate website within 1 month from the date of the AGM.

Provision 11.6 **The Company has a dividend policy and communicates it to shareholders.**

The Company does not have a fixed dividend policy at present. The issue of payment of dividends is deliberated by the Board annually, having regards to various factors (e.g. Company's profit, cash flow, capital requirements for investment and growth, general business conditions and other factors as the Board deems appropriate).

The Board did not declare or recommend a dividend for FY2023 in order to preserve cash for the Group's operations in view of the prevailing business conditions of the Group.

ENGAGEMENT WITH SHAREHOLDERS

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

Provision 12.1 **The Company provides avenues for communication between the Board and all shareholders, and discloses in its annual report the steps taken to solicit and understand the views of shareholders.**

The Company firmly believes in high standards of transparent corporate disclosure, pursuant to the Catalist Rules and the Singapore Companies Act, whereby shareholders are informed of all major developments that affect the Group. Information is communicated to our shareholders on a timely basis. Where there is inadvertent disclosure made to a selected group, the Company will make the same disclosure publicly to all others as soon as practicable.

CORPORATE GOVERNANCE REPORT

In presenting the annual financial statements and half-yearly announcements to shareholders as well as any price/trade sensitive reports to the public, the Board aims to provide the shareholders with a balanced and understandable assessment of the Company's and the Group's performance, position and prospects.

Please refer to the disclosures in Provision 12.2 on the avenue of communication between the Board and its shareholders.

Provision 12.2 **The Company has in place an investor relations policy which allows for an ongoing exchange of views so as to actively engage and promote regular, effective and fair communication with shareholders.**

The Company does not have an investor relations policy in place. However, the Board's policy is that all Shareholders should be informed simultaneously in an accurate and comprehensive manner regarding all material developments that impact the Group via SGXNet on an immediate basis, in line with the Group's disclosure obligations pursuant to the Catalist Rules and the Companies Act. There is no dedicated investor relations team in place as the Board was of the view that the current communication channels are sufficient and cost-effective.

For the upcoming AGM, shareholders of the Company will receive a copy of the annual reports, circular to shareholders in relation to the proposed adoption of the new constitution of the Company, Notice of AGM and Proxy form. The Notice of AGM is also advertised in the newspapers within the prescribed deadlines prior to the AGM. Such information will also be disseminated via SGXNet and the Company's corporate website. The Board encourages shareholders' participation at the AGMs and periodically communicates with Shareholders through SGXNet throughout the financial year. The Company will announce the responses to substantial and relevant questions from shareholders on SGXNet prior to the deadline for the lodgement of the proxy forms.

The Company has also released quarterly announcements containing a summary of the financial information and affairs of the Group for that period, and announcements requiring disclosures as required by the Catalist Rules via SGXNet. Shareholders can also access the Company's website at https://senyueholdings.com/ to access information on the Group.

Provision 12.3 **The Company's investor relations policy sets out the mechanism through which shareholders may contact the Company with questions and through which the Company may respond to such questions.**

The Company has engaged a investor relations firm which focuses on facilitating communications with all stakeholders, Shareholders, analysts and media on a regular basis, to attend to their queries or concerns as well as to keep the investors public apprised of the Group's corporate developments and financial performance. The contact details of the investor relations firm are set out in "Corporate Information" section of the Annual Report.

Shareholders may also contact the Company by completing the "Contact Us" form on the Company's website at https://senyueholdings.com/contact-us. The Company will respond directly to the querying shareholder using the contact information provided therein.

CORPORATE GOVERNANCE REPORT

MANAGING STAKEHOLDERS RELATIONSHIPS

ENGAGEMENT WITH STAKEHOLDERS

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

Provision 13.1 **The Company has arrangements in place to identify and engage with its material stakeholder groups and to manage its relationships with such groups.**

The Company is committed in maintaining close communication with those stakeholders who will have an impact on the Company's business and operating performance and long term sustainability. To this end, the Company has established relevant communication channels to engage with its stakeholders as detailed in Principle 12.

Provision 13.2 **The Company discloses in its annual report its strategy and key areas of focus in relation to the management of stakeholder relationships during the reporting period.**

The Company recognises the need for ensuring the business interests of the Company and its stakeholders are properly aligned as part of its sustainability journey. As in previous years, the Company has undertaken a process of identifying material environmental, social and governance (ESG) issues which are important and will impact the stakeholders. Having identified these material topics, the Company seeks to map out its processes and align its business practices and strategies to address the concerns of these stakeholders. The Company's efforts and approaches in ensuring the respective stakeholders' concerns are properly addressed are set out in its Sustainability Report for FY2023 which will be published separately from the annual report.

Provision 13.3 **The Company maintains a current corporate website to communicate and engage with stakeholders.**

The Company updates its corporate website https://senyueholdings.com regularly with information released on the SGXNet and business developments of the Group.

OTHER CORPORATE GOVERNANCE MATTERS

1. Material Contracts
[Catalist Rule 1204(8)]

There were no material contracts of the Company or its subsidiaries involving the interests of the CEO or any Director or controlling shareholders existed at the end of the financial year or have been entered into since the end of the previous financial year other than that. In addition, no Director, CEO, controlling shareholders or a Company related to the aforesaid persons have received a benefit from any contract entered into by the Group since the end of the previous financial year.

CORPORATE GOVERNANCE REPORT

2. Interested Person Transactions
[Catalist Rule 1204(17)]

As at 30 September 2023, the Group has not obtained a general mandate from shareholders for IPT.

There were no IPT conducted under the IPT Mandate pursuant to Rule 920 that were more than S$100,000 in FY2023.

3. Dealing in Securities
[Catalist Rule 1204(19)]

In compliance with Rule 1204(19), the Group has adopted a Code of Conduct to provide guidance to Directors and executive officers with regards to dealing in the Company's securities.

The Company, Directors and officers of the Group are advised not to deal in the Company's shares on short-term considerations or when they are in possession of unpublished price-sensitive information. They are also reminded regularly not to deal in the Company's shares two weeks before the first three quarters of its financial year and one month before the announcement of the company's full year financial statements, or one month before the announcement of the company's half year and full year financial statements. The Company, its Directors and officers are required to report to the Company Secretary whenever they deal in the Company's shares. The Company Secretary assists the AC and the Board in monitoring such share transactions and making the necessary announcements. Directors and officers are also reminded to be mindful of the laws on insider trading at all times and to ensure that their dealings in securities do not contravene the laws on insider trading as determined by the Securities and Futures Act 2001 of Singapore, the Act and other appropriate regulations.

"Directors and officers" include the following classes of employees:

1) All directors and managers;
2) All significant participants in the financial consolidation process;
3) Others with significant management responsibility whose decisions can materially impact the Company's financial results; and
4) Certain accounting and finance personnel who assist the Company's CFO/Company Secretary in preparing all public announcements and materials distributed to the Board of Directors.

4. Non-sponsor Fees
[Catalist Rule 1204(21)]

No non-sponsor fees were paid or payable to the Company's current sponsor, SAC Capital Private Limited and its former sponsor, PrimePartners Corporate Finance Pte. Ltd. in FY2023.

CORPORATE GOVERNANCE REPORT

Additional Information On Directors Seeking Re-Election

The Director named below is retiring and being eligible, will offer himself for re-election at the upcoming AGM. Pursuant to Rule 720(5) of the Catalist Rules, the information relating to the Retiring Directors as set out in Appendix 7F to the Catalist Rules is set out below:

Name of Director	Tay Boon Zhuan ("**Mr. Tay**")
Date of appointment	5 August 2022
Date of last election (if applicable)	Not applicable
Age	43
Country of principal residence	Singapore
The Board's comments on this re-election	The Board of Directors of the Company has accepted the NC's recommendation, who has reviewed and considered Mr. Tay's performance as Independent Non-Executive Director of the Company. The Board considers Mr. Tay to be independent for the purpose of Rule 704(7) of the Catalist Rules.
Whether appointment is executive, and if so, the area of responsibility	Non-Executive.
Job title	Independent Non-Executive Director, Chairman of Nominating Committees, Member of Audit and Remuneration Committees
Professional qualifications	• Bachelor of Accountancy, National Technological University of Singapore • Chartered Accountant of Singapore, Institute of Singapore Chartered Accountants
Working experience and occupation(s) during past 10 years	• September 2004 – February 2013: Audit Manager in the Financial Services Industry Practice at PricewaterhouseCoopers LLP Singapore • February 2013 – February 2014: Associate Director, China Assurance and Technical at Nexia TS Public Accounting Corporation • February 2014 – April 2015: Director, Business Advisory at SBA Stone Forest Shanghai • September 2015 – December 2017: Head of Internal Audit at China Yuchai International Limited • December 2017 – July 2018 Chief Financial Officer of Heatec Jietong Holdings Ltd. • July 2018 – June 2020: Chief Financial Officer of Intraco Limited • June 2020 – present: Senior Director, Finance at Geniebook Pte. Ltd.

CORPORATE GOVERNANCE REPORT

Shareholdings interest in the listed issuer and its subsidiaries	None
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries	None
Conflict of interest (including any competing business)	None
Undertaking (in the format set out in Appendix 7H) under Rule 720(1) has been submitted to the listed issuer	Yes
Other Principal Commitments Including Directorships	**Past (for the last 5 years)** K.A. Vermiculite Spray Sdn. Bhd. Tat Hong Intraco Heavy Equipment Co. Ltd Intraco International (Shanghai) Co. Ltd. K.A. Fabric Shutters Pte. Ltd. K.A. Firelite Pte. Ltd. K.A. Group Holdings Pte. Ltd. K.A. Fireproofing Pte. Ltd. Intraco International Pte. Ltd. K.A. Building Construction Pte. Ltd. Intraco Foods Pte. Ltd. Tat Hong Intraco Pte. Ltd. **Present** Sincap Group Limited

CORPORATE GOVERNANCE REPORT

Question		Tay Boon Zhuan
(a)	Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him/her or against a partnership of which he/she was a partner at the time when he/she was a partner or at any time within 2 years from the date he/she ceased to be a partner?	No
(b)	Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he/she was a director or an equivalent person or a key executive, at the time when he/she was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he/she ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?	No
(c)	Whether there is any unsatisfied judgment against him/her?	No
(d)	Whether he/she has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he/she is aware) for such purpose?	No
(e)	Whether he/she has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he/she is aware) for such breach?	No
(f)	Whether at any time during the last 10 years, judgment has been entered against him/her in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his/her part, or he/she has been the subject of any civil proceedings (including any pending civil proceedings of which he/she is aware) involving an allegation of fraud, misrepresentation or dishonesty on his/her part?	No
(g)	Whether he/she has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	No
(h)	Whether he/she has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?	No

CORPORATE GOVERNANCE REPORT

(i)	Whether he/she has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him/her from engaging in any type of business practice or activity?		No
(j)	Whether he/she has ever, to his/her knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of:–		
	(i)	any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or	No
	(ii)	any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or	No
	(iii)	any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or	No
	(iv)	any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere,	No
	in connection with any matter occurring or arising during that period when he/she was so concerned with the entity or business trust?		
(k)	Whether he/she has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?		No
Disclosure applicable to the appointment of Director only.			
Any prior experience as a director of an issuer listed on the Exchange?			Yes
If yes, please provide details of prior experience.			Mr. Tay presently sits on the Board of Sincap Group Limited.
If no, please state if the director has attended or will be attending training on the roles and responsibilities of a director of a listed issuer as prescribed by the Exchange.			N/A

DIRECTORS' STATEMENT

The directors present their statement together with the audited consolidated financial statements of the Group and statement of financial position and statement of changes in equity of the Company for the financial year ended September 30, 2023.

In the opinion of the directors, the consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company as set out on pages 60 to 119 are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at September 30, 2023, 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 at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts when they fall due.

1 DIRECTORS

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

Yap Meng Sing
Limjoco Ross Yu
Tay Boon Zhuan
Lau Yan Wai

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

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

3 DIRECTORS' INTERESTS IN SHARES AND DEBENTURES

The directors of the Company holding office at the end of the financial year had no interest in the share capital and debentures of the Company and related corporations as recorded in the register of directors' shareholdings kept by the Company under section 164 of the Companies Act 1967 (the "Act") except as follows:

	Shareholdings registered in name of director		Shareholdings in which directors are deemed to have an interest	
Name of directors and Company in which interests are held	At beginning of year	At end of year	At beginning of year	At end of year
Ordinary shares				
Yap Meng Sing	5,950,000	5,950,000	1,750,000,000	1,750,000,000

By virtue of Section 7 of the Act, Mr. Yap Meng Sing is deemed to have an interest in all the related corporations of the Company.

The directors' interests in the shares and options of the Company at October 21, 2023 were the same at September 30, 2023.

DIRECTORS' STATEMENT

4 SHARE OPTIONS

(a) Options to take up unissued shares

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

(b) Options exercised

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

(c) Unissued shares under option

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

5 AUDIT COMMITTEE

The Audit Committee of the Company, consisting all non-executive directors, is chaired by Mr. Limjoco Ross Yu, an independent director, and includes Mr. Tay Boon Zhuan, an independent Director and Mr. Lau Yan Wai, an independent director. The Audit Committee has met 4 times since the last Annual General Meeting ("AGM") and has reviewed the following, where relevant, with the executive directors and external and internal auditors of the Company:

a) The audit plans and results of the internal auditor's examination and evaluation of the Group's systems of internal accounting controls;

b) The Group's financial and operating results and accounting policies;

c) The audit plans of the external auditors;

d) The financial statements of the Company and the consolidated financial statements of the Group before their submission to the directors of the Company and external auditor's report on those financial statements;

e) The quarterly, half-yearly and annual announcements as well as related press releases on the results and financial position of the Company and the Group;

f) The co-operation and assistance given by management to the Group's external auditors; and

g) The re-appointment of the external auditors of the Group.

The Audit Committee has full access to and has the co-operation of the management and has been given the resources required for it to discharge its function properly. It also has full discretion to invite any director and executive officer to attend its meetings. The external and internal auditors have unrestricted access to the Audit Committee.

The Audit Committee has recommended to the directors the nomination of Deloitte & Touche LLP for re-appointment as external auditors of the Group at the forthcoming AGM of the Company.

DIRECTORS' STATEMENT

6 AUDITORS

The auditors, Deloitte & Touche LLP, have expressed their willingness to accept re-appointment.

On behalf of the Board of directors

Yap Meng Sing

Tay Boon Zhuan

December 27, 2023

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF SEN YUE HOLDINGS LIMITED

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Sen Yue Holdings Limited (the "Company") and its subsidiaries (the "Group"), which comprise the consolidated statement of financial position of the Group and the statement of financial position of the Company as at September 30, 2023, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group and the statement of changes in equity of the Company for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 60 to 119.

In our opinion, the accompanying consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Companies Act 1967 (the "Act") and Singapore Financial Reporting Standards (International) ("SFRS(I)s") so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at September 30, 2023 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group and of the changes in equity of the Company for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Information Other than the Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated financial statements and our auditor's report thereon.

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

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

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF SEN YUE HOLDINGS LIMITED

Key Audit Matters

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

Key Audit Matters	How the matter was addressed in the audit
Valuation of inventories The carrying amount of the Group's inventories of $12.62 million as at September 30, 2023 is significant to the Group as it represented 44.2% of the Group's total current assets. The inventories mainly comprise of E-waste inventories which were attributable to one of the Group's subsidiary SMC Industrial Pte. Ltd. ("SMCI"). Significant management estimation and judgment is applied in estimating the net realisable value, influenced by fluctuations in commodity prices and purity levels of inventories. This represents a key audit matter because the significance of the balance and the significant degree of estimation made by the management in assessing the net realisable value. Management assesses net realisable value based on expected selling price which factors in management's estimate of future market demand, price changes in the London Metal Exchange ("LME") including all estimated costs of completion. In additions, management reviews the inventories aging report and assesses potential adjustment for slow moving inventories. Refer to Note 2 and Note 3 to the financial statements for the accounting policy for allowance of inventories obsolescence, and critical accounting judgements and key sources of estimation uncertainty.	Our audit procedures included the following: • Obtained and evaluated an inventories aging report and management's assessment of allowance for slow moving; • Assessed the reasonableness of conversion cost allocation basis in finished goods by (i) understanding the basis of allocation used by management; (ii) testing management's computation of direct labour and overheads conversion rate into finished goods, and (iii) recomputing the conversion costs to be capitalised into year end inventories balances; • Performed testing of subsequent sales of the inventories; • Assessed the reasonableness of management's assessment on the net realisable value by comparing to prevailing commodity prices and the purity contents on a sample basis.; and • Assessed the competency of management's expert and engaged third party laboratory service provider as auditor's expert, to evaluate the purity content of the nickel and cobalt inventories on a sampling basis. We have also reviewed the adequacy and appropriateness of the related disclosures made in the financial statements.

Responsibilities of Management and directors for the Financial Statements

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

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

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

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF SEN YUE HOLDINGS LIMITED

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

(a) Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

(b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

(c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

(d) Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

(e) Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

(f) Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF SEN YUE HOLDINGS LIMITED

Report on Other Legal and Regulatory Requirements

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

The engagement partner on the audit resulting in this independent auditor's report is Tay Hwee Ling.

Deloitte & Touche LLP
Public Accountants and
Chartered Accountants
Singapore

December 27, 2023

STATEMENTS OF FINANCIAL POSITION

AS AT SEPTEMBER 30, 2023

	Note	Group 2023	Group 2022	Company 2023	Company 2022
		$'000	$'000	$'000	$'000
ASSETS					
Current assets					
Cash and bank balances	6	9,488	11,299	75	827
Trade and other receivables	7	6,436	10,876	4,488	3,896
Inventories	8	12,616	9,099	-	-
Total current assets		28,540	31,274	4,563	4,723
Non-current assets					
Property, plant and equipment	9	13,903	14,997	-	-
Intangible assets	10	125	-	-	-
Right-of-use assets	11	1,891	2,293	-	-
Subsidiaries	12	-	-	9,463	9,463
Other receivables	7	37	39	-	-
Deferred tax assets	16	2,484	5,461	-	-
Total non-current assets		18,440	22,790	9,463	9,463
Total assets		46,980	54,064	14,026	14,186
LIABILITIES AND EQUITY					
Current liabilities					
Loan and trade bills	13	5,391	12,596	-	426
Financial guarantee liabilities	27	-	-	-	3,231
Trade and other payables	14	3,979	18,882	5,525	5,872
Lease liabilities	15	445	478	-	-
Income tax payable		33	59	-	-
Total current liabilities		9,848	32,015	5,525	9,529
Non-current liabilities					
Loan and trade bills	13	392	472	-	-
Other payables	14	119	106	-	-
Lease liabilities	15	1,394	1,812	-	-
Deferred tax liabilities	16	241	370	-	-
Total non-current liabilities		2,146	2,760	-	-

STATEMENTS OF FINANCIAL POSITION

AS AT SEPTEMBER 30, 2023

	Note	Group		Company	
		2023	2022	2023	2022
		$'000	$'000	$'000	$'000
Capital and reserves					
Share capital	17	55,261	53,246	55,261	53,246
Merger deficit	18	(3,454)	(3,454)	-	-
Translation reserve		(10,053)	(9,506)	-	-
Other reserve	19	2,605	2,605	-	-
Accumulated losses		(9,373)	(23,602)	(46,760)	(48,589)
Equity attributable to owners of the Company		34,986	19,289	8,501	4,657
Total liabilities and equity		46,980	54,064	14,026	14,186

See accompanying notes to financial statements.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

YEAR ENDED SEPTEMBER 30, 2023

	Note	Group 2023	Group 2022
		$'000	$'000
Revenue	20	65,989	41,041
Cost of sales		(53,105)	(22,986)
Gross profit		12,884	18,055
Other operating income	21	2,938	516
Distribution costs		(544)	(371)
Administrative expenses		(6,573)	(7,928)
Other gains and losses	22	9,510	3,503
Finance costs	23	(396)	(1,870)
Profit before tax		17,819	11,905
Income tax (expenses) benefits	24	(3,590)	4,021
Profit for the year	25	14,229	15,926
Other comprehensive income:			
Items that may be reclassified subsequently to profit or loss:			
- Currency translation differences arising on consolidation		(547)	(1,546)
Total comprehensive income for the year		13,682	14,380
Earnings per share			
Basic and diluted (cents)	26	0.45	1.27

See accompanying notes to financial statements.

STATEMENTS OF CHANGES IN EQUITY

YEAR ENDED SEPTEMBER 30, 2023

Group	Share capital	Merger deficit	Translation reserve	Other reserve	Accumulated losses	Equity attributable to owners of the Company
	$'000	$'000	$'000	$'000	$'000	$'000
Balance at October 1, 2021	46,246	(3,454)	(7,960)	2,605	(39,528)	(2,091)
Total comprehensive income for the year:						
Profit for the year	-	-	-	-	15,926	15,926
Other comprehensive loss for the year	-	-	(1,546)	-	-	(1,546)
Total	-	-	(1,546)	-	15,926	14,380
Issue of share capital (Note 17) representing transactions with owners, recognised directly in equity	7,000	-	-	-	-	7,000
Balance as at September 30, 2022	53,246	(3,454)	(9,506)	2,605	(23,602)	19,289
Total comprehensive income for the year:						
Profit for the year	-	-	-	-	14,229	14,229
Other comprehensive loss for the year	-	-	(547)	-	-	(547)
Total	-	-	(547)	-	14,229	13,682
Issue of share capital (Note 17) representing transactions with owners, recognised directly in equity	2,015	-	-	-	-	2,015
Balance as at September 30, 2023	55,261	(3,454)	(10,053)	2,605	(9,373)	34,986

STATEMENTS OF CHANGES IN EQUITY

YEAR ENDED SEPTEMBER 30, 2023

Company	Share capital	Accumulated losses	Total
	$'000	$'000	$'000
Balance as at October 1, 2021	46,246	(48,135)	(1,889)
Loss for the year, representing total comprehensive loss for the year	-	(454)	(454)
Issuance of share capital (Note 17), representing transactions with with owners, recognised directly in equity	7,000	-	7,000
Balance as at September 30, 2022	53,246	(48,589)	4,657
Profit for the year, representing total comprehensive income for the year	-	1,829	1,829
Issuance of share capital (Note 17), representing transactions with with owners, recognised directly in equity	2,015	-	2,015
Balance as at September 30, 2023	55,261	(46,760)	8,501

See accompanying notes to financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

YEAR ENDED SEPTEMBER 30, 2023

	Group	
	2023	2022
	$'000	$'000
Operating activities		
Profit before tax	17,819	11,905
Adjustments for:		
Bad debts written off on other receivables	3	14
Depreciation of property, plant and equipment	1,891	1,877
Depreciation of right-of-use assets	486	310
Reversal of loss allowance for trade and other receivables	-	(93)
Fair value gain of financial assets at FVTPL	-	(103)
Allowance (Reversal of allowances) for inventories	2,833	(14)
Reversal of impairment loss on property, plant and equipment	-	(326)
Reversal of impairment loss on right of use assets	-	(667)
Gain on disposal of plant and equipment	(34)	-
Property, plant and equipment written off	-	124
Post-employment benefits	17	5
Interest expenses	396	1,870
Interest income	(231)	(48)
Gain arising from debt restructuring	-	(1,071)
Gain on debt settlement	(11,495)	-
Effects of exchange rate changes	231	(2,022)
Operating cash flows before movements in working capital	11,916	11,761
Inventories	(6,299)	(6,828)
Trade and other receivables	4,731	(3,392)
Trade and other payables	(5,405)	(7,123)
Cash generated (used in) from operations	4,943	(5,582)
Income tax paid, net	(956)	(1,085)
Net cash generated from (used in) operating activities	3,987	(6,667)
Investing activities		
Interest received	231	48
Proceeds from disposal of property, plant and equipment	44	-
Purchase of intangible assets	(124)	-
Purchase of property, plant and equipment	(1,642)	(551)
Net cash used in investing activities	(1,491)	(503)

CONSOLIDATED STATEMENT OF CASH FLOWS

YEAR ENDED SEPTEMBER 30, 2023

	Group	
	2023	2022
	$'000	$'000
Financing activities		
Interest paid	(396)	(32)
Repayment of bank borrowings	(1,868)	(1,535)
Principal payment of lease liabilities	(562)	(505)
Decrease in pledged deposits with financial institutions	2	-
Trade bills	(3,231)	(3,231)
Net proceeds from issuance of new shares	2,015	7,000
Net cash (used in) generated from financing activities	(4,040)	1,697
Net decrease in cash and cash equivalents	(1,544)	(5,473)
Cash and cash equivalents at the beginning of the year	11,261	16,360
Effects of foreign exchange rate changes on the balance of cash held in foreign currencies	(265)	374
Cash and cash equivalents at the end of the year	9,452	11,261

See accompanying notes to financial statements.

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2023

1 GENERAL

The Company (Registration No. 200105909M) is incorporated in Singapore with its principal place of business and registered office at 3 Jalan Pesawat, Singapore 619361. The Company is listed on the Singapore Exchange Securities Trading Limited ("SGX"). The Company has submitted its proposal to resume trading of its shares to SGX-ST on August 31, 2023. The financial statements are expressed in Singapore dollars.

The principal activity of the Company is that of investment holding. The principal activities of the subsidiaries are disclosed in Note 12.

The consolidated financial statements of the Group and statement of financial position and statement of changes in equity of the Company for the year ended September 30, 2023 were authorised for issue by the Board of directors on December 27, 2023.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of SFRS(I) 2 *Share-based Payment*, leasing transactions that are within the scope of SFRS(I) 16 *Leases*, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in SFRS(I) 1-2 *Inventories* or value-in-use in SFRS(I) 1-36 *Impairment of Assets*.

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

a) Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

b) Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

c) Level 3 inputs are unobservable inputs for the asset or liability.

ADOPTION OF NEW AND REVISED STANDARDS - On October 1, 2022, the Group and the Company adopted all the new and revised SFRS(I) pronouncements that are relevant to its operations. The adoption of these new/revised SFRS(I) pronouncements does not result in changes to the Group's and the Company's accounting policies and has no material effect on the disclosures or on the amounts reported for the current or prior years.

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2023

New and revised SFRS(I) Standards ("SFRS(I)s") in issue but not yet effective

At the date of authorisation of these financial statements, the Group has not applied the following new and revised SFRS(I)s that have been issued but are not yet effective:

SFRS(I) 17 (including amendments to SFRS(I) 17)	*Insurance Contracts*[1]
Amendments to SFRS(I) 10 and SFRS(I) 28	*Sales or Contribution of Assets between an Investor and its Associate or Joint Venture*[4]
Amendments to SFRS(I) 1-1	*Classification of Liabilities as Current or Non-Current*[2]
Amendments to SFRS(I) 1-1 and SFRS(I) Practice Statement 2	*Disclosure of Accounting Policies*[1]
Amendments to SFRS(I) 1-8	*Definition of Accounting Estimates*[1]
Amendments to SFRS(I) 1-12	*Deferred Tax related to Assets and Liabilities arising from a Single Transation*[1]
Amendments to SFRS(I) 1-12	*International Tax Reform – Pillar Two Model Rules*[1]
Amendments to SFRS(I) 1-1	*Non-current Liabilities with Covenants*[2]
Amendments to SFRS(I) 16	*Lease Liability in a Sale and Leaseback*[2]
Amendments to SFRS(I) 1-7 and SFRS(I) 7	*Supplier Finance Arrangements*[2]
Amendments to SFRS(I) 1-21:	*Lack of Exchangeability*[3]

[1] Effective for annual periods beginning on or after January 1, 2023, with early application permitted.

[2] Effective for annual periods beginning on or after January 1, 2024, with early application permitted.

[3] Effective for annual periods beginning on or after January 1, 2025, with early application permitted.

[4] Effective date is deferred indefinitely.

The directors do not expect that the adoption of the Standards listed above will have a material impact on the financial statements of the Group in future periods.

BASIS OF CONSOLIDATION - The consolidated financial statements incorporate the financial statements of the Company and entities (including structured entities) controlled by the Company and its subsidiaries. Control is achieved when the Company:

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

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

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2023

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

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

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, the results of subsidiaries acquired or disposed of during the year are included in profit or loss from the date the Company gains control until the date when the Company ceases to control the subsidiary.

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

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

Non-controlling interests in subsidiaries are identified separately from the Group's equity therein. Those interests of non-controlling shareholders that are present ownership interests entitling their holders to a proportionate share of net assets upon liquidation may initially be measured at fair value or at the non-controlling interests' proportionate share of the fair value of the acquiree's identifiable net assets. The choice of measurement is made on an acquisition-by-acquisition basis. Other non-controlling interests are initially measured at fair value. Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity.

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

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

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

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2023

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

BUSINESS COMBINATIONS - Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interest issued by the Group in exchange for control of the acquiree. Acquisition-related costs are recognised in profit or loss as incurred.

When the consideration transferred by the group in a business combination includes a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination. Changes in fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill. Measurement period adjustments are adjustments that arise from additional information obtained during the 'measurement period' (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Other contingent consideration is remeasured to fair value at subsequent reporting dates with changes in fair value recognised in profit or loss.

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

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value at the acquisition date, except that:

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

- Liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangements of the Group entered to replace share-based payment arrangements of the acquiree are measured in accordance with SFRS(I) 2 *Share-based Payment* at the acquisition date; and

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

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after reassessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

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

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2023

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

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

Financial assets and financial liabilities are initially measured at fair value, except for trade receivables that do not have a significant financing component which are measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Financial Assets

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

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

Classification of financial assets

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

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

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

Despite the aforegoing, the Group may make the following irrevocable election/designation at initial recognition of a financial assets:

- the Group may irrevocably elect to present subsequent changes in fair value of an equity investment in other comprehensive income if certain criteria are met; and
- the Group may irrevocably designate a debt investment that meets the amortised cost or fair value through other comprehensive income ("FVTOCI") criteria as measured at FVTPL if doing so eliminates or significantly reduced an accounting mismatch.

Amortised cost and effective interest method

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

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2023

For financial assets other than purchased or originated credit-impaired financial assets (i.e. assets that are credit-impaired on initial recognition), the effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) excluding expected credit losses, through the expected life of the debt instrument, or, where appropriate, a shorter period, to the gross carrying amount of the debt instrument on initial recognition. For purchased or originated credit-impaired financial assets, a credit-adjusted effective interest rate is calculated by discounting the estimated future cash flows, including expected credit losses, to the amortised cost of the debt instrument on initial recognition.

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

Interest income is recognised using the effective interest method for debt instruments measured subsequently at amortised cost. For financial instruments other than purchased or originated credit-impaired financial assets, interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial assets, except for financial assets that have subsequently become credit-impaired. For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial assets. If, in subsequent reporting periods, the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset.

Interest income is recognised in profit or loss and is included in the 'other operating income' line item.

Foreign exchange gains and losses

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

Impairment of financial assets

The Group recognises a loss allowance for expected credit losses ("ECL") on investments in debt instruments that are measured at amortised cost. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Group always recognised lifetime ECL for trade receivables, contract assets, other receivables and cash and bank balances. The ECL on these financial assets are estimated based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

For all other financial instruments, the Group recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition instead of on evidence of a financial asset being credit – impaired at the reporting date or an actual default occurring.

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

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2023

Significant increase in credit risk

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

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

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

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

Despite the foregoing, the Group assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date. A financial instrument is determined to have low credit risk if:

- the financial instrument has a low risk of default,
- the debtor has a strong capacity to meet its contractual cash flow obligations in the near term, and
- adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

The Group considers a financial asset to have low credit risk when the asset has external credit rating of 'investment grade' in accordance with the globally understood definition or if an external rating is not available, the asset has an internal rating of 'performing'. Performing means that the counterparty has a strong financial position and there are no past due amounts.

Definition of default

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

- when there is a breach of financial covenants by the counterparty; or

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2023

- information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collaterals held by the Group).

Irrespective of the above analysis, the Group considers that default has occurred when a financial asset is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

Credit-impaired financial assets

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

- significant financial difficulty of the issuer or the borrower;
- a breach of contract, such as a default or past due event;
- the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;
- it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for that financial asset because of financial difficulties.

Write-off policy

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

Measurement and recognition of expected credit losses

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information as described above. As for the exposure at default, for financial assets, this is represented by the assets' gross carrying amount at the reporting date; for loan commitments and financial guarantee contracts, the exposure includes the amount drawn down as at the reporting date, together with any additional amounts expected to be drawn down in the future by default date determined based on historical trend, the Group's understanding of the specific future financing needs of the debtors, and other relevant forward-looking information.

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

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

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

- Nature of financial instruments;
- Past-due status;
- Nature, size and industry of debtors;
- Nature of collaterals for other receivables; and
- External credit ratings where available.

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

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

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

Derecognition of financial assets

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

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

Financial liabilities and equity

Classification as debt or equity

Debt and equity instruments issued by the Group are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

Equity instruments

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

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

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2023

Financial liabilities

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

Financial liabilities subsequently measured at amortised cost

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

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

Financial guarantee contract liabilities

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

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

Foreign exchange gains and losses

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

The fair value of financial liabilities denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period.

Derecognition of financial liabilities

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

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2023

OFFSETTING ARRANGEMENTS

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

LEASES

The Group as lessee

The Group assesses whether a contract is or contains a lease, at inception of the contract. The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses the incremental borrowing rate specific to the lessee.

The incremental borrowing rate depends on the term, currency and start date of the lease and is determined based on a series of inputs including: the risk-free rate based on government bond rates; a country-specific risk adjustment; a credit risk adjustment based on bond yields; and an entity specific adjustment when the risk profile of the entity that enters into the lease is different to that of the Group and the lease does not benefit from a guarantee from the Group.

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

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

The lease liability is presented as a separate line in the consolidated statement of financial position.

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

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

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

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2023

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

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

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

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

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the right-of-use asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The right-of-use assets are presented as a separate line in the consolidated statement of financial position.

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

As a practical expedient, SFRS(I) 16 permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease components as a single arrangement. The group has not used this practical expedient.

The Group as lessor

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

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

INVENTORIES

Inventories are stated at the lower of cost and net realisable value. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. Cost is calculated using the weighted average method. Net realisable value represents the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2023

CASH AND CASH EQUIVALENTS

In the statement of financial position, cash and bank balances comprise cash (i.e. cash in hand, and on-demand deposits) and cash equivalents. Cash equivalents are short-term (generally with original maturity of three months or less), highly liquid investments that are readily convertible to a known amount of cash and which are subject to an insignificant risk of changes in value. Cash equivalents are held for the purpose of meeting short-term cash commitments rather for investment or other purposes.

For the purposes of the statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank loans which are repayable on demand and form an integral part of the Group's cash management. Such loans are presented as short-term borrowings in the statement of financial position.

PROPERTY, PLANT AND EQUIPMENT

Land and buildings are initially recognised at cost. Freehold land is subsequently carried at cost less impairment losses. Buildings and leasehold land are subsequently carried at cost less depreciation and impairment losses.

Properties in the course of construction for production, supply or administrative purposes, or for purposes not yet determined, are carried at cost, less any recognised impairment loss. Cost includes professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the Group's accounting policy. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is charged so as to write off the cost or valuation of assets, other than land and properties under construction, over their estimated useful lives, using the straight-line method, on the following bases:

Freehold buildings	50 years
Leasehold land and buildings	10.5 to 50 years or over the lease period, whichever is shorter
Plant and equipment	2 to 17 years
Furniture, fittings and office equipment	2 to 12 years
Renovation and installation	5 to 10 years
Motor vehicles	5 to 10 years

No depreciation is provided on freehold land.

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

Right-of-use assets are depreciated over the shorter period of the lease term and the useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset.

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

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2023

INTANGIBLE ASSETS

Intangible assets acquired separately are reported at cost less accumulated amortisation (where they have finite useful lives) and accumulated impairment losses. Intangible assets with finite useful lives are amortised on a straight-line basis over their estimated useful lives which are disclosed in Note 10. The estimated useful life and amortisation method are reviewed at the end of each annual reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

Derecognition of intangible assets

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

IMPAIRMENT OF NON-FINANCIAL ASSETS EXCLUDING GOODWILL

At the end of each reporting period, the Group reviews the carrying amounts of its assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

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

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease and to the extent that the impairment loss is greater than the related revaluation surplus, the excess impairment loss is recognised in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

PROVISIONS

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

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

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2023

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

GOVERNMENT GRANTS

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

The benefit of a government loan at a below-market rate of interest is treated as a government grant, measured as the difference between proceeds received and the fair value of the loan based on prevailing market interest rates. Government grants whose primary condition is that an entity should purchase, construct or otherwise acquire non-current assets are recognised as deferred income in the statement of financial position and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

Other government grants are recognised as income over the 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 and the Company with no future related costs are recognised in profit or loss in the period in which they become receivable.

REVENUE RECOGNITION

The Group recognises revenue from sale of good and services. Revenue is measured based on the consideration specified in the contract with a customer. The Group recognises revenue when it transfers control of a product or service to a customer. The Group has concluded that it is the principal in its revenue arrangements and records revenue on a gross basis because it typically controls the goods or services before transferring them to customers.

Sales of goods

The Group manufactures and sells metal components and tool and die, which includes manufacturing and sale of perforated materials, speaker nets, tool, die and other metal components. The Group also engages in process and trading of commodities, which includes copper, stainless steel, other special alloys and e-waste.

Revenue is recognised at a point in time when control of the goods has transferred, being when the goods have been shipped or delivered to the customers based on the agreed incoterm. Following delivery, the customers have full discretion over the manner of distribution and price to sell the goods, have the primary responsibility when on selling the goods to other customers and bear the risks of obsolescence and loss in relation to the goods. A receivable is recognised by the Group when the goods are delivered to the customers as this represents point in time at which the right to consideration becomes unconditional, as only the passage of time is required before payment is due.

Revenue from the provision of electro-deposition coating services

The Group provides electro-deposition (ED) coating services and secondary process.

Revenue from rendering of services is recognised overtime when service have been rendered and ownership or control of the goods have been transferred to the customers, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, and there is no continuing management involvement with the goods.

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2023

BORROWING COSTS

Borrowing costs directly attributable to the acquisition, construction, or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

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

RETIREMENT BENEFIT COSTS

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions. Payments made to state-managed retirement benefit plans are accounted for as payments to defined contribution plans where the Group's obligations under the plans are equivalent to those arising in a defined contribution retirement benefit plan.

EMPLOYEE LEAVE ENTITLEMENT

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

INCOME TAX

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

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

A provision is recognised for those matters for which the tax determination is uncertain but it is considered probable that there will be a future outflow of funds to a tax authority. The provisions are measured at the best estimate of the amount expected to become payable. The assessment is based on the judgement of tax professionals within the Company supported by previous experience in respect of such activities and in certain cases based on specialist independent tax advice.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

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

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2023

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

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realised based on the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

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

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes leived to the same taxable authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

FOREIGN CURRENCY TRANSACTIONS AND TRANSLATION

The individual financial statements of each group entity are measured and presented in the currency of the primary economic environment in which the entity operates (its functional currency). The consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company are presented in Singapore dollars, which is the functional currency of the Company and the presentation currency for the consolidated financial statements.

In preparing the financial statements of the group entities, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing on the dates of the transactions. At each reporting date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on retranslation of monetary items are included in profit or loss for the priod. Exchange differences arising on the retranslation non-monetary items carried at fair value are included in profit or loss for the period except for differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognised in other comprehensive income. For such non-monetary items, any exchange component of that gain or loss is also recognised in other comprehensive income.

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

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2023

On the disposal of a foreign operation (i.e. a disposal of the Group's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation or a partial disposal of an interest in a joint arrangement or an associate that includes a foreign operation of which the retained interest becomes a financial asset), all of the exchange differences accumulated in a foreign exchange translation reserve in respect of that operation attributable to the owners of the company are reclassified to profit or loss.

In addition, in relation to a partial disposal of a subsidiary that includes a foreign operation that does not result in the Group losing control over the subsidiary, the proportionate share of accumulated exchange differences are re-attributed to non-controlling interests and are not recognised in profit or loss.

On consolidation, exchange differences arising from the translation of the net investment in foreign entities (including monetary items that, in substance, form part of the net investment in foreign entities) are recognised in other comprehensive income and accumulated in a separate component of equity under the header of foreisng currency translation reserve. Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate. Exchange differences arising are recognised in other comprehensive income.

3 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In applying the Group's accounting policies, which are described in Note 2, management is required to make judgements (other than those involving estimations) that have a significant impact on the amounts recognised and to make estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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

Critical judgements in applying the Group's accounting policies

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

(a) Accounting for debt settlement arising from the schemes of arrangements (the "Schemes")

The High Court Singapore has in May 2021 granted creditors' application for the Company and its subsidiary, SMCI to be placed under judicial management.

The admission of debts by Judicial Managers ("JMs") was based on the claim amounts submitted by creditors as of on March 31, 2021 ("Ascertainment date"). Pursuant to the Schemes, claims from creditors that did not submit the proof of debt before June 3, 2022 shall be forever waived, released, discharged and extinguished. Consequently, trade and other payables amounted to $1,071,000 was discharged and recognised as gain arising from debt restructuring during the financial year ended September 30, 2022 (Note 22).

On July 15, 2022, the JMs and the creditors have unanimously approved the Schemes for both the Company and SMCI, where on and from the effective scheme date:

1) All creditors shall irrevocably discharge the Company and SMCI from all claims other than the claims admitted by the JMs ("Approved claims");

2) All Approved claims that are not guaranteed shall be subject to a 50% reduction in value and guaranteed Approved claims shall be subject to a 25% reduction in value ("Debt Release"); and

3) All creditors waive all interest, default interest, fee, commissions, penalties, etc in respect of claims after the Ascertainment date.

Subsequently, both the Company and SMCI was discharged from judicial management order on August 17, 2022. The Group has repaid the first tranche of $6,733,000 during the financial year ended September 30, 2022 under the Schemes, and repaid the second tranche of $6,588,000 during the financial year, being the final payment to the creditors, through its Scheme Manager, RSM Corporate Advisory Pte Ltd. Pursuant to Paragraphs 9.1(a) and 9.2(a)(c) of the Schemes of the Company and SMCI respectively, the Schemes have ceased and concluded, and all creditors (regardless of whether they are scheme creditors and regardless of whether they had filed a proof of debt under the Schemes) shall irrevocably, unconditionally and permanently surrender, release, acquit, and forever discharge the Company and SMCI (and the Company and SMCI shall be completely and absolutely released and discharged from) any and all known or unknown claims that such creditor may have, including under the Schemes for any reason.

Hence, trade and other payables amounted to $9,385,000 (Note 14) and loans and borrowings amounted to $2,155,000 (Note 13) as at September 30, 2022, representing the Debt Release under the Schemes, were derecognised as liabilities and recognised as gain on debt settlements during the financial year.

Key sources of estimation uncertainty

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

(a) Valuation of inventories

Inventories are stated at the lower of cost and net realisable value ("NRV"). NRV represents the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling, and distribution. The commodities segment purchased battery scraps and processed them into black mass powder and other materials, including copper and aluminum. Management estimates the net realisable value of inventories based on metal trading price available at the LME, purity level of the inventories and estimated future market demand.

As of September 30, 2023, the commodities segment recorded an inventory allowance amounting to $2.83 million due to the plummeting of metal prices and bearish market demand. The carrying amount of the inventories is disclosed in Note 8 to the financial statements.

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2023

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT

(a) Categories of financial instruments

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

	Carrying amount
	Amortised cost
	$'000
Group	
2023	
Financial assets	
Cash and bank balances	9,488
Trade and other receivables	4,525
	14,013
Financial liabilities	
Loans and borrowings	5,783
Lease liabilities	1,839
Trade and other payables	4,098
	11,720
2022	
Financial assets	
Cash and bank balances	11,299
Trade and other receivables	5,157
	16,456
Financial liabilities	
Loans and borrowings*	13,068
Lease liabilities	2,290
Trade and other payables*	18,988
	34,346

* : Included in the Group's trade and other payables amounted to $9,385,000 (Note 14) and loans and borrowings amounted to $2,155,000 (Note 13) as at September 30, 2022, representing Debt Release pursuant to the Schemes, which has derecognised during the financial year (Note 3 (a)).

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2023

	Carrying amount
	Amortised cost
	$'000
Company	
2023	
Financial assets	
Cash and bank balances	75
Trade and other receivables	4,474
	4,549
Financial liabilities	
Trade and other payables	5,525
	5,525
2022	
Financial assets	
Cash and bank balances	827
Trade and other receivables	3,894
	4,721
Financial liabilities	
Loans and borrowings	426
Trade and other payables	5,872
Financial guarantee liabilities	3,231
	9,529

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

The Group does not have any financial instruments which are subject to enforceable master netting arrangements or similar netting agreements.

(c) Financial risk management policies and objectives

The Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework.

The Group has a system of controls in place to create an acceptable balance between the cost of risks occurring and the cost of managing the risks. Management continually monitors the Group's risk management process to ensure that an appropriate balance between risk and control is achieved. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group activities.

The Group is exposed to a variety of financial risks, comprising market risk (including foreign currency risk and interest rate risk), credit risk and liquidity risk.

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

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2023

i) Foreign exchange risk management

The Group's foreign exchange exposures arise mainly from the exchange rate movement of the functional currencies of the respective group entities against Singapore dollar, United States dollar and Malaysia ringgit.

The Company has a number of investments in subsidiaries whose net assets are exposed to currency translation risk. The Group does not currently designate its foreign currency denominated debts as a hedging instruments for the purpose of hedging the translation of its foreign operations. The risk is managed through natural hedges. When required, the Group enters into forward exchange contracts to manage certain of its foreign currency denominated trade receivables exposure.

The carrying amounts of foreign currency denominated monetary assets and monetary liabilities denominated in currencies other than the respective Group entities' functional currency at the end of the reporting period are as follows:

	Assets		Liabilities	
	2023	2022	2023	2022
	$'000	$'000	$'000	$'000
Group				
Singapore dollar	1,575	912	7,952	24,138
United States dollar	618	2,853	4	22
Company				
Malaysian ringgit	-	-	4,031	4,277

Foreign currency sensitivity analysis

The following table details the Group's sensitivity to a 10% increase and decrease in the functional currency of each group entity against the relevant foreign currencies. 10% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably 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 as well as loans to foreign operations within the Group where the denomination of the loan is in a currency other than the currency of the lender or the borrower. A positive number below indicates an increase in profit and other equity where functional currency of each group entity strengthens 10% against the relevant foreign currency. For a 10% weakening of functional currency of each group entity against the relevant foreign currency, there would be a comparable impact on the profit and other equity, and the balances below would be negative.

	Group		Company	
	2023	2022	2023	2022
	$'000	$'000	$'000	$'000
Singapore dollar	(638)	(2,533)	-	-
United States dollar	61	283	-	-
Malaysian ringgit	-	-	(403)	(428)

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2023

ii) Interest rate risk management

The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's debt obligations with floating interest rates. The Group monitors the movements in interest rates on an ongoing basis and evaluates the exposure for its debt obligations.

No sensitivity analysis on interest rate risk is presented for the Group and the Company as the management consider the sensitivity on interest rate risk on bank balances and variable-rate bank borrowings is insignificant.

iii) Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Group. As at September 30, 2023, 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 arises from the carrying amount of the respective recognised financial assets as stated in the statements of financial position.

The Group has adopted the policy of only dealing with creditworthy counterparties as a mean of mitigating the risk of financial losses from default. Credit risk is managed through the application of credit approvals, credit limits and monitoring procedures. Where appropriate, the Group obtains collateral from its customers. Cash terms, advance payments and letter of credits are required for customers of lower credit standing.

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

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

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2023

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

	Note	Internal credit rating	12-month or lifetime ECL	Gross carrying amount	Loss allowance	Net carrying amount
				$'000	$'000	$'000
Group						
2023						
Trade receivables	7	(i)	Lifetime ECL (simplified approach)	3,874	-	3,874
Trade receivables	7	In default	Lifetime ECL	46	(46)	-
Other receivables	7	In default	Lifetime ECL	1,191	(1,191)	-
Other receivables	7	Performing	12-month ECL	651	-	651
2022						
Trade receivables	7	(i)	Lifetime ECL (simplified approach)	4,789	-	4,789
Trade receivables	7	In default	Lifetime ECL	61	(61)	-
Other receivables	7	In default	Lifetime ECL	1,273	(1,273)	-
Other receivables	7	Performing	12-month ECL	368	-	368
Company						
2023						
Other receivables	7	In default	Lifetime ECL	16,189	(16,189)	-
Other receivables	7	Performing	12-month ECL	4,474	-	4,474
2022						
Other receivables	7	In default	Lifetime ECL	16,189	(16,189)	-
Other receivables	7	Performing	12-month ECL	3,894	-	3,894

(i) 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 expected credit loss on these items based on the ongoing evaluation of collectability and aging analysis of the outstanding debts and on management's estimate of the ultimate realisation of these debts, including creditworthiness and the past collection history of each debtor. Note 7 includes further details on the loss allowance for these assets.

The carrying amount of financial assets recorded in the financial statements, grossed up for any allowances for losses, represents the Group's maximum exposure to credit risk without taking account of the value of any collateral obtained.

The Group places its cash with reputable financial institutions.

iv) Liquidity risk management

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

Liquidity and interest risk analyses

Non-derivative financial liabilities

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

	Weighted average effective interest rate	Not later than 1 year	Later than 1 year and not later than 5 years	More than 5 years	Adjustment	Total
	%	$'000	$'000	$'000	$'000	$'000
Group						
2023						
Non-interest bearing liabilities	-	3,979	119	-	-	4,098
Lease liabilities (fixed rate)	2.94	456	1,353	82	(52)	1,839
Loan and overdraft (variable rate)	1.75	5,478	229	176	(100)	5,783
		9,913	1,701	258	(152)	11,720
2022						
Non-interest bearing liabilities*	-	18,882	106	-	-	18,988
Lease liabilities (fixed rate)	2.41	489	1,743	112	(54)	2,290
Trade bills* (variable rate)	**	5,386	-	-	-	5,386
Loan and overdraft (variable rate)	1.91	7,341	312	176	(147)	7,682
		32,098	2,161	288	(201)	34,346

*: Included in the Group's non-interest bearing liabilities amounted to $9,385,000 (Note 14) and trade bills amounted to $2,155,000 (Note 13) as at September 30, 2022, represents Debt Release pursuant to the Schemes, which has derecognised during the financial year (Note 3 (a)).

**: Interest for trade bills is waived under the Schemes.

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2023

	Weighted average effective interest rate	Not later than 1 year	Later than 1 year and not later than 5 years	More than 5 years	Adjustment	Total
	%	$'000	$'000	$'000	$'000	$'000
Company						
2023						
Non-interest bearing liabilities	-	5,525	-	-	-	5,525
		5,525	-	-	-	5,525
2022						
Non-interest bearing liabilities	-	5,872	-	-	-	5,872
Loan and overdraft (variable rate)	4.67	446	-	-	(20)	426
Financial guarantee liabilities	-	3,231	-	-	-	3,231
		9,549	-	-	(20)	9,529

Non-derivative financial assets

Except for other receivables as disclosed in Note 7, substantially all financial assets of the Group and Company are repayable on demand or due within one year.

(d) Capital management policies and objectives

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern and to maintain an optimal capital structure to maximise shareholder value. In order to maintain or achieve an optimal capital structure, the Group may adjust the amount of dividend payment, return capital to shareholders, issue new shares, buy back issued shares, obtain new borrowings or sell assets to reduce borrowings. The Group's overall strategy remains unchanged from the prior year.

The capital structure of the Group consists of equity attributable to owners of the Company, comprising issued capital, reserves and accumulated losses.

In 2022, one of the Group's subsidiary, SMCI has entered into a restructured facility agreement whereby there was recallable on demand cause by the lender at its sole discretion. Consequentially, the borrowing of $5,318,000 as at September 30, 2023 was classified as current liabilities.

5 HOLDING COMPANY AND RELATED PARTY TRANSACTIONS

Subsequent to the share placement exercise in August 2022, the immediate and ultimate holding company of the Company is Electroloy Metal Pte Ltd, incorporated in the Singapore. Related companies in these financial statements refer to members of the holding company's group of companies.

Some of the Company's transactions and arrangements are between members of the Group and the effect of these on the basis determined between the parties is reflected in these financial statements. The intercompany balances are unsecured, interest-free and repayable on demand unless otherwise stated.

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2023

Transactions between the Company and its subsidiaries, which are the related companies of the Group, have been eliminated on consolidation and are not disclosed in this note.

Some of the Group's and Company's transactions and arrangements are with related parties and the effect of these on the basis determined between the parties is reflected in the financial statements. The balances are unsecured, interest-free and repayable on demand unless otherwise stated.

There are no significant related party transactions during the financial year.

Compensation of directors and key management personnel

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

	Group	
	2023	2022
	$'000	$'000
Short term benefits	1,562	1,096
Post-employment benefits	88	44
	1,650	1,140

The remuneration of directors and key management is determined by the remuneration committee having regards to the performance of individuals and market trends.

6 CASH AND BANK BALANCES

	Group		Company	
	2023	2022	2023	2022
	$'000	$'000	$'000	$'000
Cash at bank and in hand	9,452	10,756	75	827
Fixed deposits	36	543	-	-
Cash and bank balances in statements of financial position	9,488	11,299	75	827
Fixed deposits pledged with financial institutions	(36)	(38)	-	-
Cash and cash equivalent in consolidated statement of cash flows	9,452	11,261	75	827

Fixed deposits with financial institutions amounting to approximately $36,000 (2022: $38,000) have been pledged to financial institutions for banking facilities granted to the Group (Note 13).

Fixed deposits bear interest at 3.05% (2022: 1.5% to 2.6%) per annum and for a tenure of approximately 365 days (2022: 180 days to 365 days).

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2023

7 TRADE AND OTHER RECEIVABLES

	Group		Company	
	2023	2022	2023	2022
	$'000	$'000	$'000	$'000
Current				
Trade receivables from third parties	3,920	4,850	-	-
Other receivables and deposits	1,805	1,602	27	-
Amounts due from subsidiaries [(i)]	-	-	7,270	6,717
Loss allowance:				
- Trade	(46)	(61)	-	-
- Non-trade	(1,191)	(1,273)	(2,823)	(2,823)
	4,488	5,118	4,474	3,894
Prepayments	212	312	14	2
Tax/GST recoverables	1,037	514	-	-
Advances to suppliers	699	4,932	-	-
	6,436	10,876	4,488	3,896
Non-current				
Deposits	37	39	-	-
Loan to subsidiaries [(ii)]	-	-	13,366	13,366
Loss allowance – non-trade	-	-	(13,366)	(13,366)
	37	39	-	-
Total	6,473	10,915	4,488	3,896

(i) Amounts due from subsidiaries are unsecured, interest-free and repayable on demand.

(ii) Loans to subsidiaries are unsecured and interest-free. The settlement of the loans is neither planned nor likely to occur in the foreseeable future (Note 12).

Trade receivables

The average credit period on sale of goods is 7 to 180 days (2022: 7 to 180 days). No interest is charged on outstanding trade receivables that are beyond the credit timeframe.

Loss allowance for trade receivables has always been measured at an amount equal to lifetime expected credit losses ("ECL"). The ECL on trade receivables are estimated by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of conditions at the reporting date. Trade receivables are written off when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery.

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2023

The table below shows the movement in lifetime ECL that has been recognised for trade receivables:

	Lifetime ECL - credit-impaired	
	2023	2022
	$'000	$'000
At beginning of the year	61	37,573
Recognised profit or loss during the year	-	(93)
Written off against allowance	(12)	(37,595)
Exchange differences	(3)	176
At end of the year	46	61

The table below is an ageing analysis of net trade receivables:

	Group	
	2023	2022
	$'000	$'000
Not past due	1,184	2,702
Less than 1 month overdue	1,075	1,535
31 to 60 days	1,146	455
61 to 90 days	227	54
More than 90 days	242	43
	3,874	4,789

Other receivables

For purpose of impairment assessment, other receivables are considered to have low credit risk as they are not due for payment at the end of the reporting period and there has been no significant increase in the risk of default on the receivables since initial recognition except for a debtor with carrying amount of $1,191,000 (2022: $1,273,000) for which there is evidence of credit impairment. Accordingly, for the purpose of impairment assessment for other receivables, the loss allowance is measured at an amount equal to 12-month ECL, except for receivables which the Group has assessed that there has been a significant increase in credit risk since initial recognition.

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

There has been no change in the estimation techniques or significant assumptions made during the current reporting period in assessing the loss allowance for other receivables.

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2023

The table below shows the movement in lifetime ECL that has been recognised for other receivables:

	Group		Company	
	2023	2022	2023	2022
	$'000	$'000	$'000	$'000
As at beginning of the year	1,273	1,286	2,823	2,960
Amounts written off	-	-	-	(137)
Exchange differences	(82)	(13)	-	-
As at end of the year	1,191	1,273	2,823	2,823

Loans to subsidiaries

The table below shows the movement in lifetime ECL that has been recognised for loan to subsidiaries for which there is evidence of credit impairment:

	Company	
	2023	2022
	$'000	$'000
As at beginning of the year	13,366	14,069
Reversed in profit or loss during the year	-	(703)
As at end of the year	13,366	13,366

8 INVENTORIES

	Group	
	2023	2022
	$'000	$'000
Raw materials	6,148	1,823
Work-in-progress	1,775	96
Inventory-in-transit	1,929	1,939
Finished goods	2,764	5,241
	12,616	9,099

During the financial year ended September 30, 2023, the cost of inventories recognised as an expenses includes $2,833,000, in respect of write-down of inventories to net relisable value (2022: reversal of allowance of $14,000).

9 PROPERTY, PLANT AND EQUIPMENT

Group	Freehold land	Freehold buildings	Leasehold land and buildings	Plant and equipment	Furniture, fittings and office equipment	Renovation and installation	Motor vehicles	Total
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Cost								
As at October 1, 2021	4,060	3,342	10,776	11,619	1,267	1,234	19	32,317
Additions	-	-	1	291	95	164	-	551
Write-off	-	-	-	(131)	(12)	(333)	-	(476)
Exchange differences	(195)	(160)	319	(165)	(19)	(5)	5	(220)
As at September 30, 2022	3,865	3,182	11,096	11,614	1,331	1,060	24	32,172
Additions	-	-	-	1,451	71	120	-	1,642
Disposals	-	-	-	(152)	(4)	-	-	(156)
Write-off	-	-	-	(505)	(102)	-	-	(607)
Exchange differences	(219)	(180)	(580)	(657)	(92)	(73)	(12)	(1,813)
As at September 30, 2023	3,646	3,002	10,516	11,751	1,204	1,107	12	31,238

9 PROPERTY, PLANT AND EQUIPMENT

Group	Freehold land	Freehold buildings	Leasehold land and buildings	Plant and equipment	Furniture, fittings and office equipment	Renovation and installation	Motor vehicles	Total
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Accumulated depreciation								
As at October 1, 2021	-	976	4,742	7,603	1,078	867	(4)	15,262
Depreciation	-	74	906	642	58	182	15	1,877
Write-off	-	-	-	(76)	(9)	(267)	-	(352)
Exchange differences	-	(42)	164	(137)	(5)	11	5	(4)
As at September 30, 2022	-	1,008	5,812	8,032	1,122	793	16	16,783
Depreciation	-	69	882	802	64	66	8	1,891
Disposals	-	-	-	(142)	(4)	-	-	(146)
Write-off	-	-	-	(505)	(102)	-	-	(607)
Exchange differences	-	(51)	(315)	(439)	(80)	(60)	(13)	(958)
As at September 30, 2023	-	1,026	6,379	7,748	1,000	799	11	16,963

9 PROPERTY, PLANT AND EQUIPMENT

Group	Freehold land	Freehold buildings	Leasehold land and buildings	Plant and equipment	Furniture, fittings and office equipment	Renovation and installation	Motor vehicles	Total
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Accumulated impairment loss								
As at October 1, 2021	-	-	14	686	-	-	-	700
Reversal of impairment loss	-	-	-	(326)	-	-	-	(326)
Exchange differences	-	-	-	18	-	-	-	18
As at September 30, 2022	-	-	14	378	-	-	-	392
Exchange differences	-	-	(1)	(19)	-	-	-	(20)
As at September 30, 2023	-	-	13	359	-	-	-	372
Carrying amount								
As at September 30, 2023	3,646	1,976	4,124	3,644	204	308	1	13,903
As at September 30, 2022	3,865	2,174	5,270	3,204	209	267	8	14,997

As at September 30, 2023, freehold land and buildings and leasehold land and building of the Group with an aggregate carrying amount $4,722,000 (2022: $5,737,000) are pledged as security to secure bank loans (Note 13).

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2023

10 INTANGIBLE ASSETS

	Software
	$'000
Cost:	
At October 1, 2022	-
Additions	124
Exchange differences	1
At September 30, 2023	125
Accumulated amortisation:	
At October 1, 2022	-
Amortisation for the year	*
Exchange differences	-
At September 30, 2023	*
Carrying amount:	
At September 30, 2023	125
At September 30, 2022	-

The intangible assets comprise software which have finite useful lives, and are amortised on a straight line basis over their expected useful lives of 5 years.

* The amortisation for the year and accumulated amortisation as at September 20, 2023 is less than $1,000.

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2023

11 RIGHT-OF-USE ASSETS

Group	Leasehold land and buildings	Machinery and equipment	Motor vehicles	Total
	$'000	$'000	$'000	$'000
Cost				
As at October 1, 2021	3,319	1,163	136	4,618
Lease modification	49	-	-	49
Additions	-	-	34	34
Termination	(91)	-	(18)	(109)
Exchange differences	163	62	3	228
At September 30, 2022	3,440	1,225	155	4,820
Lease modification	29	-	-	29
Additions	123	-	70	193
Termination	-	-	(49)	(49)
Exchange differences	(171)	(59)	(9)	(239)
At September 30, 2023	3,421	1,166	167	4,754
Acccumulated depreciation				
As at October 1, 2021	791	1,089	44	1,924
Depreciation	266	21	23	310
Termination	(69)	-	(9)	(78)
Exchange differences	41	60	3	104
As at September 30, 2022	1,029	1,170	61	2,260
Depreciation	444	20	22	486
Termination	-	-	(18)	(18)
Exchange differences	(62)	(56)	(1)	(119)
As at September 30, 2023	1,411	1,134	64	2,609
Accumulated impairment loss				
As at September 30, 2021	918	-	-	918
Reversal of impairment	(667)	-	-	(667)
Exchange differences	16	-	-	16
As at September 30, 2022	267	-	-	267
Exchange differences	(13)	-	-	(13)
As at September 30, 2023	254	-	-	254
Net carrying amount				
As at September 30, 2023	1,756	32	103	1,891
As at September 30, 2022	2,144	55	94	2,293

The Group leases a number of lands, buildings, machinery and equipment and motor vehicles. The leases typically run for a period of two to five years, with an option to renew the lease after that date. Lease payments are increased every two years to reflect market rentals.

The Group has no options to purchase any of its right-of-use assets at the end of the lease term.

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2023

12 SUBSIDIARIES

	Company	
	2023	2022
	$'000	$'000
Unquoted equity shares, at cost	31,886	31,886
Impairment loss	(22,423)	(22,423)
Carrying amount	9,463	9,463

Loan to a subsidiary are unsecured and interest-free as at the reporting date. The settlement of the loans is neither planned nor likely to occur in the foreseeable future (Note 7). As the loans represent, in substance, a part of the Company's net investment in the subsidiary, they are stated at cost less accumulated impairment loss.

Movement in the allowance for impairment:

	Company	
	2023	2022
	$'000	$'000
At beginning of the year	22,423	22,999
Reversal during the year	-	(576)
At end of the year	22,423	22,423

The Company carried out a review of the recoverable amounts of its investment in subsidiaries that may be impaired or reversed. The review concluded that reversal of impairment loss of $Nil (2022: impairment loss of $576,000) is required on the carrying amount of the investments. The recoverable amount is determined from net assets value of the individual subsidiary.

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2023

The subsidiaries of the Company are set out below:

Name of subsidiaries	Principal activities	Country of incorporation	Effective equity interest held by the Group		Carrying amount of investment	
			2023	2022	2023	2022
			%	%	$'000	$'000
Held by the Company						
CED System Sdn. Bhd.[(b)]	ED Coating	Malaysia	100	100	1,307	1,307
Hong Nam Industry (M) Sdn. Bhd.[(b)]	ED Coating	Malaysia	100	100	2,580	2,580
Macore Technology (M)Sdn. Bhd.[(c)]	ED Coating	Malaysia	100	100	-	-
PNE Marvellous Sdn. Bhd.[(c)]	Property investment holding	Malaysia	100	100	1,478	1,478
SYH E-Waste Management Pte. Ltd.[(c)]	Metal stamping	Singapore	100	100	-	-
PNE Micron Engineering Sdn. Bhd.[(b)]	Metal stamping	Malaysia	100	100	3,632	3,632
PNE Micron (Kuala Lumpur) Sdn. Bhd.[(b)]	ED Coating	Malaysia	100	100	466	466
PNE Precision Sdn. Bhd.[(c)]	Metal stamping	Malaysia	100	100	-	-
SYH Resources Pte. Ltd.[(c)]	Process, recycle and trade of e-waste	Singapore	100	100	-	-
PNE-Sino Pte Ltd [(c)]	Investment holding	Singapore	100	100	-*	-*
SMC Industrial Pte Ltd [(a)]	Process and trading of commodities, waste management	Singapore	100	100	-	-
					9,463	9,463

* less than $1,000

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2023

Name of subsidiaries	Principal activities	Country of incorporation and place of business	Proportion (%) of ownership interest	
			2023	2022
			%	%
Held by PNE-Sino Pte Ltd				
PT. PNE Indonesia [(c)]	ED Coating	Indonesia	100	100
PT Le Royaume PNE [(c)]	Investment holding	Indonesia	100	100
Held by SMC Industrial Pte Ltd				
SMC Industrial (HK) Limited [(c)]	Waste management	Hong Kong	100	100
SMC Industrial (UK) Co Ltd [(c)(d)]	Waste management	United Kingdom	-	100
SMCI Refinery Pte Ltd [(c)]	Waste management	Singapore	100	100

(a) Audited by Deloitte & Touche LLP, Singapore.

(b) Audited by overseas practices of Deloitte Touche Tohmatsu Limited, for the purpose of group consolidation.

(c) Not audited for consolidation purposes as management is of the opinion that the results of the subsidiary for the year is insignificant.

(d) The entity was struck off during the financial year.

Information about the composition of the Group's wholly-owned subsidiaries at the end of the financial year is as follows:

Principal activities	Country of incorporation and place of business	Number of wholly-owned subsidiaries	
		2023	2022
Metal stamping	Singapore, Malaysia	3	3
ED coating	Malaysia, Indonesia	5	5
Process and trading of commodities and waste management	Singapore, Malaysia, Hong Kong, United Kingdom	4	5
Investment holding Company	Singapore, Indonesia	2	2
Property investment holding	Malaysia	1	1
		15	16

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2023

13 LOANS AND TRADE BILLS

	Group		Company	
	2023	2022	2023	2022
	$'000	$'000	$'000	$'000
Loans	5,783	7,682	-	426
Trade bills	-	5,386	-	-
	5,783	13,068	-	426
Classified as:				
- Current	5,391	12,596	-	426
- Non-current	392	472	-	-
	5,783	13,068	-	426

Included in the Group's trade bills as at September 30, 2022, were second tranche payments to the scheme creditors under the Schemes amounting to $3,231,000 and Debt Release pursuant to the Schemes amounted to $2,155,000 which has derecognised during the financial year (Note 3 (a)).

In 2022, one of the Group's subsidiary, SMCI had entered a restructured facility agreement whereby the lender has a right of review and the loan is recallable on demand at its sole discretion. Consequently, the borrowing of $5,318,000 as at September 30, 2023 and 2022 was classified as current liabilities.

Management is of the opinion that the carrying amount of the bank loans and trade bills approximate their fair value due to market interest rate charged.

Reconciliation of liabilities arising from financing activities

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's consolidated statement of cash flows as cash flows from financing activities.

			Non-cash changes					
	October 1, 2022	Financing cash flow (i)	New lease liability (Note 15)	Lease modification	Termination	Gain on debt settlement	Foreign exchange movement	September 30, 2023
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Loans	7,682	(1,868)	-	-	-	-	(31)	5,783
Trade bills	5,386	(3,231)	-	-	-	(2,155)	-	-
Lease liabilities (Note 15)	2,290	(562)	193	29	(31)	-	(80)	1,839

			Non-cash changes						
	October 1, 2021	Financing cash flow (i)	New lease liability (Note 15)	Lease modification	Termination	Debt restructuring	Other adjustments (i)	Foreign exchange movement	September 30, 2022
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Loans	5,381	(1,535)	-	-	-	8,000	(4,121)	(43)	7,682
Trade bills	16,208	(3,231)	-	-	-	(8,000)	250	159	5,386
Lease liabilities (Note 15)	2,609	(505)	34	49	(31)	-	-	134	2,290

(i) The cash flows make up the net amount of proceeds from and repayments of borrowings in the consolidated statement of cash flows.

(ii) Other adjustments relate to financial assets FVTPL taken to set off against borrowings and other miscellaneous fee/expenses incurred in relation to debt restructuring.

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2023

14 TRADE AND OTHER PAYABLES

	Group		Company	
	2023	2022	2023	2022
	$'000	$'000	$'000	$'000
Current				
Third parties, trade [(i)]	886	14,392	-	1,116
Subsidiaries, non-trade (Note 12) [(ii)]	-	-	4,510	4,756
Accrued expenses	2,422	4,034	927	-
Other payables	671	456	88	-
	3,979	18,882	5,525	5,872
Non-current				
Other payables [(iii)]	119	106	-	-
Total	4,098	18,988	5,525	5,872

Included in the Group's trade and other payables as at September 30, 2022, were second tranche payments to the scheme creditors under the Schemes amounting to $3,357,000 and Debt Release pursuant to the Schemes amounted to $9,385,000 which has derecognised during the financial year (Note 3 (a)).

Note:

(i) Trade payables principally comprise amounts outstanding for trade purchases and ongoing costs. The average credit period on purchase of goods is 30 days (2022: 30 days). No interest is charged on the outstanding balance of trade payables.

(ii) Amounts due to subsidiaries are unsecured, interest-free and are repayable on demand.

(iii) Other payables comprise the post-employment benefits for its employees based in Indonesia on the Labor Law No. 13/2003 dated March 25, 2003 and PSAK 24 (Revised 2013), "Employee Benefits". The components of post-employment benefits expense recognised in the statement of profit or loss and other comprehensive income and post-employment benefits liability recognised in the statement of financial position, as determined by independent actuaries, Yusi dan Rekan Actuary Consultant Firm and PT Sentra Jasa Aktuaria, in its report dated October 12, 2023 and November 10, 2022 for 2022, respectively, using projected unit credit method.

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2023

15 LEASE LIABILITIES

	Group	
	2023	2022
	$'000	$'000
Current		
Leasehold land and buildings	373	397
Machinery and equipment	57	45
Motor vehicles	15	36
	445	478
Non-current		
Leasehold land and buildings	1,292	1,774
Machinery and equipment	43	38
Motor vehicles	59	-
	1,394	1,812
	1,839	2,290

The leases include term extension options for which the Group has the right to exercise. For leases that the Group are expected to exercise that option, lease payments in the extension period have been capitalised in the Group's right-of-use assets and lease liabilities. There are no variable lease payment terms on all leases.

The total cash outflow for leases (including short-term leases and leases of low value assets) amount to $613,000 (2022: $579,000).

At September 30, 2023, the Group is committed to $14,000 (2022: $22,000) for short-term leases.

16 DEFERRED TAX ASSETS (LIABILITIES)

For the purpose of presentation in the consolidated statements of financial position, certain deferred tax assets and liabilities have been offset. The following is the analysis of the deferred tax balances for the financial reporting purpose:

	Group	
	2023	2022
	$'000	$'000
Deferred tax assets	2,484	5,461
Deferred tax liabilities	(241)	(370)
	2,243	5,091

The following are the major deferred tax liabilities and assets recognised and the movements thereon, during the current and prior reporting periods prior to offsetting:

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2023

	Accelerated tax depreciation	Unutilised tax losses	Unremitted earnings of foreign operations	Others	Total
	$'000	$'000	$'000	$'000	$'000
As at October 1, 2021	(313)	-	-	88	(225)
Charge (Credit) to:					
- Profit or loss (Note 24)	(59)	5,222	(98)	-	5,065
Exchange differences	12	239	-	-	251
As at September 30, 2022	(360)	5,461	(98)	88	5,091
Charge (Credit) to:					
- Profit or loss (Note 24)	166	(2,692)	(50)	-	(2,576)
Exchange differences	13	(285)	-	-	(272)
As at September 30, 2023	(181)	2,484	(148)	88	2,243

Subject to the agreement by the tax authorities in the relevant tax jurisdictions in which the Group operates and conditions imposed by law, the Group has unutilised tax losses, unutilised reinvestment allowances and unutilised capital allowances of $20,891,000, $3,009,000 and $1,150,000 (2022: 34,276,000, $3,336,000 and $3,898,000) respectively as at September 30, 2023 for offset against future profits. Deferred tax asset has been recognised in respect of $16,181,000 unutilised tax loss in current year as it is probable that future taxable profit will be available against which the Group can utilise the benefits (2022: $29,558,000 unutilised tax loss and $2,505,000 unutilised capital allowances).

17 SHARE CAPITAL

	Company			
	2023	2022	2023	2022
	No. of ordinary shares		$'000	$'000
	'000	'000		
Issued and fully paid				
At beginning of the year	2,734,280	984,280	53,246	46,246
Issue of placement shares	503,750	1,750,000	2,015	7,000
At end of the year	3,238,030	2,734,280	55,261	53,246

Fully paid ordinary shares, which have no par value, carry one vote per share and carry a right to dividends as and when declared by the Company.

During the financial year, an aggregate of 503,750,000 (2022: 1,750,000,000) placement shares were allotted and issued to the subscription at an issue price of $0.004 for each placement share. The placement shares rank pari passu in all respects with the then existing shares for any dividends, right, allotments or other distributions.

18 MERGER DEFICIT

The merger deficit arises from the difference between the nominal value of shares issued by the Company and the nominal value of shares of subsidiaries acquired under the common control method of accounting.

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2023

19 OTHER RESERVE

The other reserve mainly represents the effects of changes in ownership interests in a subsidiary when there is no change in control.

20 REVENUE

	Group	
	2023	2022
	$'000	$'000
Timing of revenue recognition		
At a point in time:		
- Sale of goods	53,448	26,872
Over time:		
- Revenue from the provision of electro-deposition coating services	12,541	14,169
	65,989	41,041

21 OTHER OPERATING INCOME

	Group	
	2023	2022
	$'000	$'000
Interest income	231	48
Scrap sales	2,534	400
Government grants	-	38
Others	173	30
	2,938	516

22 OTHER GAINS AND LOSSES

	Group	
	2023	2022
	$'000	$'000
Fair value gain of financial assets at FVTPL	-	103
Reversal of impairment loss on property, plant and equipment	-	326
Reversal of impairment loss on right-of-use assets	-	667
Gain arising from debt restructuring (Note 3(a))	-	1,071
Gain on debt settlement (Note 3 (a))	11,495	-
Gain on disposal of property, plant and equipment	34	-
Property, plant and equipment written off	-	(124)
Reversal of loss allowance for trade and other receivables	-	93
Bad debts written off	(3)	(14)
Net foreign exchange (loss) gain	(1,970)	1,910
Others	(46)	(529)
	9,510	3,503

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2023

23 FINANCE COSTS

	Group	
	2023	2022
	$'000	$'000
Interest expenses on		
- bank overdraft, loans and trade bills	335	1,811
- obligations under lease liabilities	61	59
	396	1,870

24 INCOME TAX (EXPENSES) BENEFITS

	Group	
	2023	2022
	$'000	$'000
Current tax expenses:		
- Current year	954	970
- Under (over) provision prior years	40	(24)
	994	946
Deferred tax expenses (Note 16):		
- Current year	2,576	(5,073)
- (Over) under provision in respect of previous years	(1)	8
Witholding tax	21	98
	2,596	(4,967)
Income tax expenses (benefits) for the year	3,590	(4,021)

Domestic income tax is calculated at 17% (2022: 17%) of the estimated assessable profit for the year. Taxation for other jurisdictions is calculated at the rates prevailing in the relevant jurisdictions.

The total charge for the year can be reconciled to the accounting profit as follows:

	Group	
	2023	2022
	$'000	$'000
Profit before tax	17,819	11,905
Tax at the applicable tax rate of 17%	3,029	2,024
Effects of different tax rate of subsidiaries reporting in other jurisdictions	173	700
Non-taxable income	(572)	(582)
Non-deductible expenses	682	349
Deferred tax assets not recognised	89	83
Utilisation of deferred tax assets previously not recognised	-	(1,414)
Previously unrecognised and unused tax losses and tax offsets now recognised as deferred tax assets	-	(5,222)
Under (over) provision of income tax in prior years	40	(24)
(Over) under provision of deferred tax in prior years	(1)	8
Witholding tax	21	98
Others	129	(41)
Total income tax expenses (benefits)	3,590	(4,021)

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2023

25 PROFIT FOR THE YEAR

In addition to the charges and credits disclosed elsewhere in the notes to the financial statements, profit for the year has been arrived at after charging (crediting):

	Group	
	2023	2022
	$'000	$'000
Depreciation of property, plant and equipment and right-of-use assets:		
Depreciation of property, plant and equipment (Note 9)	1,891	1,877
Depreciation of right-of-use assets (Note 11)	486	310
	2,377	2,187
Employee benefits expense (including Directors' remuneration)		
Directors' remuneration:		
- Company	468	304
- Subsidiaries	263	113
Directors' fees (over-accrual in prior years)	173	(116)
Other staff costs	8,259	8,028
Defined contributions plans	505	501
Defined benefits plans	17	5
Total employee benefits expenses	9,685	8,835
Reversal of loss allowance for trade and other receivables (Note 7)	-	(93)
Bad debts written off on other receivables	3	14
Cost of inventories recognised as expense	40,230	11,278
Allowance (Reversal of allowance) for inventories (Note 8)	2,833	(14)
Audit fees paid to auditors:		
- Auditors of the Company	465	465
- Other auditors	13	17
Non-audit fees paid to auditors:		
- Auditors of the Company	-	90

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2023

26 EARNINGS PER SHARE

The calculation of the basic and diluted earnings per share attributable to the ordinary owners of the Company is based on the following data:

	Group	
	2023	2022
	$'000	$'000
Number of shares ('000)		
Weighted average number of ordinary shares for the purposes of basic earnings per share	3,164,883	1,257,568
Weighted average number of ordinary shares for the purposes of diluted earnings per share	3,164,883	1,257,568
Earnings		
Profit attributable to owners of the Company	14,229	15,926
Basic earnings per share (cents)	0.45	1.27
Fully diluted earnings per share (cents)	0.45	1.27

There were no dilution of earnings per share for the financial year ended September 30, 2023 and 2022 as there were no potential ordinary shares outstanding.

27 FINANCIAL GUARANTEE LIABILITIES

The Company issued financial guarantees to banks in respect of banking facilities extended to its subsidiaries.

As at September 30, 2022, a provision was recognised based on the Company's estimate of the ultimate cost of settling all claims incurred and was fully repaid during the financial year. The provision is assessed by reviewing individual claims and tested for adequacy by comparing the amount recognised and the amount that would be required to settle the guarantee contract.

28 CAPITAL EXPENDITURE COMMITMENT

	2023	2022
	$'000	$'000
Estimated amounts committed for future capital expenditure but not provided for in the financial statements	233	277

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2023

29 SEGMENT INFORMATION

(a) Reportable segments

For the purpose of resource allocation and assessment of segment performance, the Group's Chief Executive Officer ("CEO") who is the chief operating decision maker have focused on the business operating units which in turn, are segregated based on the types of goods supplied and services provided.

The Metal components segment, Electro Deposition ("ED") coating segment and Commodities segment offer different products and services, and are managed separately because they require different technology and marketing strategies. For each of the segments, the Group's Chief Executive Officer ("CEO") reviews internal management reports on at least a monthly basis. The following summary describes the operations in each of the Group's reportable segments:

- Metal components – includes manufacturing and sales of perforated materials, speaker nets, tool, die and other metal components;
- ED coating – includes ED coating services and secondary process;
- Commodities – process and trading of e-waste raw materials, commodities, which include copper, stainless steel, other special alloys.

There are varying levels of integration between the Metal components and ED coating reportable segments. This integration includes ED coating services for metal component, shared customers, sale of equipment and provision of maintenance services and rental of industrial properties.

Information regarding the results of each reportable segment is included below. Performance is measured based on segment profit before income tax, as included in the internal management reports that are reviewed by the Group's CEO. Segment profit is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries.

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2023

Information regarding the Group's reportable segments is presented below. The measurement basis of the Group's reportable segments is in accordance with its accounting policy.

	Group			
	Revenue		Segment results	
	2023	2022	2023	2022
	$'000	$'000	$'000	$'000
Metal components	2,813	3,262	73	146
ED Coating	14,246	15,315	2,654	3,785
Commodities	50,635	23,634	17,233	9,815
Inter-segment elimination	(1,705)	(1,170)	(139)	241
	65,989	41,041	19,821	13,987
Unallocated items:				
Other operating income			112	2
Administrative expenses			(2,342)	(2,104)
Other gains and losses			228	49
Finance costs			-	(29)
Profit before tax			17,819	11,905
Income tax (expense) benefits			(3,590)	4,021
Profit for the year			14,229	15,926

	Group	
	September 30, 2023	September 30, 2022
	$'000	$'000
Segment assets		
Metal components	4,124	4,616
ED Coating	15,574	16,249
Commodities	26,602	31,891
Total segment assets	46,300	52,756
Unallocated assets#	680	1,308
Consolidated total assets	46,980	54,064
Segment liabilities		
Metal components	907	1,073
ED Coating	2,082	2,137
Commodities	7,985	29,995
Total segment liabilities	10,974	33,205
Unallocated liabilities^	1,020	1,570
Consolidated total liabilities	11,994	34,775

Unallocated assets are mainly related to a portion of the cash and cash equivalents which are utilised by more than one segment of the Group.

^ Unallocated liabilities are mainly related to the Group's loans and borrowings from external parties which are utilised by more than one segment of the Group, as well as tax payable and trade and other creditors accounted by the Group which are not allocated to any segment of the Group.

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2023

	Metal Components	ED Coating	Commodities	Unallocated	Total
	$'000	$'000	$'000	$'000	$'000
Group					
Other segment information:					
2023					
Additions to property, plant and equipment	55	487	1,100	-	1,642
Additions to ROU assets	-	193	-	-	193
Additions to intangible assets	-	-	124	-	124
Depreciation of property, plant and equipment	68	660	1,149	14	1,891
Depreciation of ROU assets	-	75	411	-	486
Bad trade debts written off	-	3	-	-	3
(Reversal of) Allowances loss for inventories	(5)	-	2,838	-	2,833
Gain on debt settlement	-	-	11,403	92	11,495
2022					
Additions to property, plant and equipment	52	468	30	1	551
Additions to ROU assets	-	34	-	-	34
Depreciation of property, plant and equipment	49	608	1,204	16	1,877
Depreciation of ROU assets	-	51	259	-	310
Bad trade debts written off	-	14	-	-	14
Reversal of allowance loss for trade receivables	-	(90)	(3)	-	(93)
Property, plant and equipment written off	-	13	111	-	124
Reversal of impairment loss on property, plant and equipment	-	-	(326)	-	(326)
Reversal of impairment loss on right-of-use assets	-	-	(667)	-	(667)
(Reversal of) Allowances loss on inventories	(38)	(5)	29	-	(14)
Gain arising from debt restructuring	-	-	(1,071)	-	(1,071)
Fair value gain of financial assets at FVTPL	-	-	(103)	-	(103)

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2023

(b) Geographical information

The Group's revenue from external customers and information about its segment assets (non-current assets excluding deferred tax assets and financial instruments) by geographical location are detailed below:

Group	Metal Components	ED Coating	Commodities	Total
	$'000	$'000	$'000	$'000
2023				
Primary geographical markets				
Singapore	1,229	-	4,801	6,030
Malaysia	386	10,361	-	10,747
People's Republic of China	2	-	26,094	26,096
Indonesia	-	2,972	2,196	5,168
Philippines	-	-	9,031	9,031
Hong Kong	-	-	7,079	7,079
Others	404	-	1,434	1,838
	2,021	13,333	50,635	65,989
Major products / service line				
Sales of goods	2,021	-	50,635	52,656
Services rendered	-	13,333	-	13,333
	2,021	13,333	50,635	65,989
Timing of revenue recognition				
At a point in time	2,021	-	50,635	52,656
Over time	-	13,333	-	13,333

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2023

Group	Metal Components	ED Coating	Commodities	Total
	$'000	$'000	$'000	$'000
2022				
Primary geographical markets				
Singapore	1,312	97	17,003	18,412
Malaysia	1,903	11,259	-	13,162
People's Republic of China	23	-	3,210	3,233
Indonesia	-	2,813	-	2,813
Philippines	-	-	(3)	(3)
Hong Kong	-	-	3,424	3,424
	3,238	14,169	23,634	41,041
Major products / service line				
Sales of goods	3,238	-	23,634	26,872
Services rendered	-	14,169	-	14,169
	3,238	14,169	23,634	41,041
Timing of revenue recognition				
At a point in time	3,238	-	23,634	26,872
Over time	-	14,169	-	14,169

	Group	
	2023	2022
	$'000	$'000
Non-current assets		
Singapore	6,562	7,219
Malaysia	8,929	9,357
Indonesia	428	714
	15,919	17,290

(c) Information about major customers

The Group's customer base includes 3 (2022: 5) customers from its commodities segment with whom transactions amounted to 60.46% (2022: 54.80%) of the Group's revenues. In 2023, revenues generated from these customers amounted to approximately $39,900,000 (2022: $22,492,000). Details of concentration of credit risk arising from these customers are set out in Note 5 (c)(iii).

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2023

30 CONTINGENT LIABILITIES

On-going CAD investigations

In January, 2021 the Company had commissioned Foo Kon Tan Advisory Services Pte Ltd ("FKT") to conduct independent review in relation to the concerns raised in respect of potential relationships that the former executive chairman of the Company, Mr. Koh. FKT in its review report had identified 7 entities ("Identified Entities") that were suspected interested person transactions ("IPT") and therefore breached certain Catalist Rules.

Based on the review report, FKT had noted that the breaches of the Catalist Rules did not arise from a breach of the Company's internal controls relating to IPT. Instead, the breaches arose due to non-disclosure by Mr. Koh of his relationships with the 7 Identified Entities. CAD has on January 27, 2021 issued an order to the Company pursuant to Section 20 of the Criminal Procedure Code (Chapter 68, 2012 Revised Edition) to produce certain documents and information in relation to offences under the Penal Code (Cap.224) and the Securities and Futures Act (Cap.289) pursuant to the Criminal Procedure Code for financial years ended September 30, 2015 to 2020.

Management has obtained an external independent legal opinion. Taking into consideration of the legal opinion, management understand that (i) it is unlikely that the Board of Directors were acting in an intentional or reckless manner in the failure to notify the SGX of any of the suspected interested person transactions ("IPT"). Consequently, no criminal liability for a contravention of section 203 of the Securities and Futures Act will be attributed to the Company; (ii) in the present case, it is arguable that the former executive chairman had been acting in his personal capacity at all material times. In this respect, the Company should not be held liable for the former executive chairman's conduct; (iii) the possible financial penalties that arise from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events that are not wholly within the control of the Company.

The CAD's investigation is still on-going at the date of authorisation of the financial statements. Based on the review of the legal opinion, management has assessed that it is premature to ascertain such financial liabilities will crystallise and to measure the quantum with sufficient reliability, if any. To the extent that it is uncertain whether such liabilities would be made out, it is appropriate to disclose the liabilities as contingent liabilities as at September 30, 2023 and 2022.

SUPPLEMENTARY INFORMATION

No.	Location	Description	Existing Use	Tenure	Gross floor area (sq ft)
1	No. 16 Jalan Mahir 5 Taman Perindustrian Cemerlang 81800 Ulu Tiram Johor Darul Takzim Malaysia	3 storey office and factory building	Office/factory	Freehold	50,941
2	No. 21 Jalan Gemilang 3 Taman Perindustrian Cemerlang 81800 Ulu Tiram Johor Darul Takzim Malaysia	2 storey office and factory building	Office/factory	Freehold	18,472
3	No. 23 Jalan Gemilang 3 Taman Perindustrian Cemerlang 81800 Ulu Tiram Johor Darul Takzim Malaysia	2 storey office and factory building	Office/factory	Freehold	18,472
4	No. 25 Jalan Gemilang 3 Taman Perindustrian Cemerlang 81800 Ulu Tiram Johor Darul Takzim Malaysia	2 storey office and factory building	Office/factory	Freehold	14,403
5	No. 27 Jalan Gemilang 3 Taman Perindustrian Cemerlang 81800 Ulu Tiram Johor Darul Takzim Malaysia	2 storey office and factory building	Office/factory	Freehold	14,403
6	No. 29 Jalan Gemilang 3 Taman Perindustrian Cemerlang 81800 Ulu Tiram Johor Darul Takzim Malaysia	2 storey office and factory building	Office/factory	Freehold	14,403
7	Plot 97 Jalan PKNK 1 Rancang Industrial Park Kawasan Perusahaan Sungai Petani (LPK) 08000 Sungai Petani Kedah Darul Aman Malaysia	2 storey office and factory building	Office/factory	Leasehold 60 years from 23/11/1994 to 22/11/2054	25,446
8	Plot 98 Jalan PKNK 1 Rancang Industrial Park Kawasan Perusahaan Sungai Petani (LPK) 08000 Sungai Petani Kedah Darul Aman Malaysia	2 storey office and factory building	Office/factory	Leasehold 60 years from 23/11/1994 to 22/11/2054	18,966

SUPPLEMENTARY INFORMATION

No.	Location	Description	Existing Use	Tenure	Gross floor area (sq ft)
9	Plot 99 Jalan PKNK 1 Rancang Industrial Park Kawasan Perusahaan Sungai Petani (LPK) 08000 Sungai Petani Kedah Darul Aman Malaysia	2 storey office and factory building	Office/factory	Leasehold 60 years from 23/11/1994 to 22/11/2054	19,773
10	Plot 100 Jalan PKNK 1 Rancang Industrial Park Kawasan Perusahaan Sungai Petani (LPK) 08000 Sungai Petani Kedah Darul Aman Malaysia	2 storey office and factory building	Office/factory	Leasehold 60 years from 23/11/1994 to 22/11/2054	25,737
11	Lot 19 Jalan Jaya Setia 26/3, Section 26 Hicom Industrial Estate 40400 Shah Alam Selangor Darul Ehsan Malaysia	2 storey office and factory building	Office/factory	Freehold	30,765
12	HGB No 10344 (Oakwood Cluster) Cibatu Alam Permai Complex Jalan Alam Permai I 33 Cibatu Cikarang Selatan 17550 Bekasi Indonesia	2 storey building	Hostel	Leasehold 13 years from 15/08/2011 to 24/09/2024	1,528
13	GB No 2154 Pasirsari Kawasan Industri Karyadeka Pancamurni Block B Kav. I Pasirsari 17550 Cikarang Bekasi Indonesia	2 storey office and factory building	Office/factory	Leasehold 25 years from 08/08/2001 to 24/09/2026	80,524
14	3 Jalan Pesawat Singapore 619361	2 storey office and factory building	Office/factory	Leasehold 60 years from 01/01/1968 to 31/12/2028	117,790

STATISTICS OF SHAREHOLDINGS

AS AT 14 DECEMBER 2023

Issued and Fully Paid-up Capital	:	S$59,639,044
Number of Issued Shares	:	3,238,030,038
Class of Shares	:	Ordinary shares
Voting Rights	:	One vote per ordinary share (excluding treasury shares and subsidiary holdings)
Number of Treasury Shares	:	Nil
Number of Subsidiary Holdings	:	Nil

DISTRIBUTION OF SHAREHOLDERS BY SIZE OF SHAREHOLDINGS

SIZE OF SHAREHOLDINGS	NO. OF SHAREHOLDERS	%	NO. OF SHARES	%
1 – 99	15	1.93	104	0.00
100 – 1,000	41	5.26	31,448	0.00
1,001 – 10,000	169	21.69	888,200	0.03
10,001 – 1,000,000	500	64.19	89,344,630	2.76
1,000,001 AND ABOVE	54	6.93	3,147,765,656	97.21
TOTAL	**779**	**100.00**	**3,238,030,038**	**100.00**

TWENTY LARGEST SHAREHOLDERS

NO.	NAME	NO. OF SHARES	%
1	ELECTROLOY METAL PTE LTD	1,750,000,000	54.05
2	KOH MIA SENG	369,109,046	11.40
3	DI LINGBIN	329,000,000	10.16
4	JIANGMENSHI CHANGXIN TECHNOLOGY LIMITED	274,750,000	8.49
5	UOB KAY HIAN PTE LTD	121,638,000	3.76
6	LIEW NYOK WAH	62,000,000	1.91
7	PHILLIP SECURITIES PTE LTD	24,855,400	0.77
8	DBS NOMINEES PTE LTD	21,330,110	0.66
9	OCBC SECURITIES PRIVATE LTD	15,140,800	0.47
10	GAN KIM KUAN SERENE	13,270,000	0.41
11	SING KHANG MIANT	11,283,900	0.35
12	CHEW CHOO LING	10,320,300	0.32
13	YEOH SOON HENG	10,092,600	0.31
14	SHENTU HONG	10,080,000	0.31
15	YANG WENHUA	9,350,000	0.29
16	LIM SIEW LOON	6,970,600	0.22
17	PECK CHENG CHIANG @ PEH SENG THONG	6,783,000	0.21
18	TAY MEI LING SERENE	6,459,000	0.20
19	YU LIHONG	6,000,000	0.19
20	LIM KIAN HONG (LIN JIAN HONG)	5,972,000	0.18
	TOTAL	**3,064,404,756**	**94.66**

STATISTICS OF SHAREHOLDINGS

AS AT 14 DECEMBER 2023

SUBSTANTIAL SHAREHOLDERS AS AT 14 DECEMBER 2023
(As recorded in the Register of Substantial Shareholders)

		Direct Interest		Deemed Interests	
No.	**Name**	**No. of shares held**	**%**	**No. of shares held**	**%**
1.	ELECTROLOY METAL PTE LTD	1,750,000,000	54.05	–	–
2.	YAP MENG SING[(1)]	5,950,000	0.18	1,750,000,000	54.05
3.	3H SUPPLIES PTE. LTD.[(1)]	–	–	1,750,000,000	54.05
4.	KOH MIA SENG	369,109,046	11.40	–	–
5.	DI LINGBIN	329,000,000	10.16	–	–
6.	JIANGMENSHI CHANGXIN TECHNOLOGY LIMITED[(2)(3)]	274,750,000	8.49	120,000,000	3.71

Notes:

(1) Mr. Yap Meng Sing and 3H Supplies Pte. Ltd. are deemed to have an interest in the Shares held by Electroloy Metal Pte Ltd ("**Electroloy**") by virtue of their respective shareholdings in Electroloy by virtue of Section 7 of the Singapore Companies Act 1967 and the Section 4 of the Securities and Futures Act 2001.

(2) Jiangmenshi Changxin Technology Limited ("**Jiangmenshi**") is deemed to be interested in 120,000,000 shares of the Company held in a nominee account.

(3) Tian Ji Ping and Wang Jing are spouses and are deemed to have an interest in the Shares held by Jiangmenshi by virtue of their respective shareholding in Jiangmenshi by virtue of Section 7 of the Singapore Companies Act1967 and the Section 4 of the Securities and Futures Act 2001.

PERCENTAGE OF SHAREHOLDING IN PUBLIC'S HANDS

As at 14 December 2023, 12.01% of the Company's shares are held in the hands of public. Accordingly, the Company has complied with Rule 723 of the Listing Manual – Section B: Rules of the Catalist of the Singapore Exchange Securities Trading Limited which requires 10% of the equity securities (excluding preference shares and convertible equity securities) in a class that is listed to be in the hands of the public.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting of Sen Yue Holdings Limited (the "**Company**") will be held at 3 Jalan Pesawat, Singapore 619361 on Tuesday, 30 January 2024 at 10.00 a.m. (the "**AGM**") to transact the following businesses:

AS ORDINARY BUSINESS

1. To receive and adopt the Directors' Statement and the Audited Financial Statements of the Company and the Group for the financial year ended 30 September 2023 together with the Independent Auditors' Report thereon. Resolution 1

2. To approve the payment of Directors' fees of S$125,000 for the financial year ending 30 September 2024, to be paid quarterly in arrears. (2023: S$173,000) Resolution 2

3. To note the retirement of Mr. Limjoco Ross Yu as a Director of the Company who is retiring pursuant to Regulation 89 of the Company's Constitution and will not be seeking re-election.

4. To re-elect Mr. Tay Boon Zhuan as Director of the Company retiring pursuant to Regulation 89 of the Constitution of the Company, and who, being eligible, offers himself for re-election, as a Director of the Company. Resolution 3

   [See Explanatory Note (i)]

5. To re-appoint Messrs Deloitte & Touche LLP as the Auditors of the Company for the financial year ending 30 September 2024 and authorise the Directors of the Company to fix their remuneration. Resolution 4

6. To transact any other ordinary business which may properly be transacted at an AGM.

AS SPECIAL BUSINESS

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

7. **Authority to issue shares in the capital of the Company pursuant to Section 161 of the Companies Act 1967 of Singapore ("Companies Act") and Rule 806 of the Listing Manual Section B: Rules of Catalist ("Catalist Rules") of Singapore Exchange Securities Trading Limited ("SGX-ST")** Resolution 5

   That pursuant to Section 161 of the Companies Act and Rule 806 of Catalist Rules of the SGX-ST, authority be and is hereby given to the Directors of the Company:

   (a) (i) allot and issue share in the capital of the Company ("**Shares**") (whether by way of rights, bonus or otherwise); and/or

   (ii) make or grant offers, agreements or options (collectively, "**Instruments**") that might or would require Shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) options, warrants, debentures or other Instruments convertible into Shares,

NOTICE OF ANNUAL GENERAL MEETING

at any time and upon such terms and conditions and for such purposes and to such person as the Directors may in their absolute discretion deem fit; and

(b) (notwithstanding the authority conferred by this Resolution may have ceased to be in force) issue Shares in pursuance of the Instruments made or granted by the Directors while this Resolution was in force,

provided that:

(1) the aggregate number of Shares to be issued pursuant to this Resolution (including Shares to be issued in pursuance of the Instruments, made or granted pursuant to this Resolution) shall not exceed 100 percent of the total number of issued Shares (excluding treasury shares and subsidiary holdings) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below), of which the aggregate number of Shares to be issued other than on a pro-rata basis to shareholders of the Company (including Shares to be issued in pursuance of the Instruments, made or granted pursuant to this Resolution) shall not exceed 50 percent of the total number of issued Shares (excluding treasury shares and subsidiary holdings) in the capital of the Company (as calculated in accordance with the sub-paragraph (2) below);

(2) (subject to such manner of calculation and adjustments as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of Shares that may be issued under sub-paragraph (1) above, the total number of issued Shares (excluding treasury shares and subsidiary holdings) in the capital of the Company at the time this Resolution is passed, after adjusting for:

(a) new shares arising from the conversion or exercise of convertible securities which were issued and outstanding or subsisting at the time this Resolution is passed;

(b) new shares arising from exercising share options or vesting of share awards which were issued and outstanding or subsisting at the time this Resolution is passed, provided the options or awards were granted in compliance with Part VIII of Chapter 8 of the Listing Manual of the SGX-ST; and

(c) any subsequent bonus issue, consolidation or subdivision of shares;

Adjustments in accordance with sub paragraphs (2)(a) or (2)(b) are only to be made in respect of new shares arising from convertible securities, share options or share awards which were issued and outstanding or subsisting at the time of the passing of this Resolution;

(3) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Catalist Rules for the time being in force (unless such compliance has been waived by the SGX-ST), all applicable legal requirements under the Companies Act, and otherwise, the Company's Constitution for the time being; and

NOTICE OF ANNUAL GENERAL MEETING

(4) unless revoked or varied by the Company in general meeting, such authority conferred shall continue to be in force until the conclusion of the next AGM of the Company or the date by which the next AGM of the Company is required by law to be held, whichever is earlier.

[See Explanatory Note (ii)]

By Order of the Board

Sharon Lim Siew Choo
Company Secretary

Singapore
29 December 2023

Explanatory Notes:

(i) Mr. Tay Boon Zhuan will, upon re-election as a Director of the Company, remain as an Independent Director of the Company, and continue to serve as the Chairman of the Nominating Committee as well as a member of the Audit Committee and the Remuneration Committee of the Company. There are no relationships (including family relationships) between Mr. Tay Boon Zhuan and the other Directors of the Company, the Company, and its related corporations, its officers or its substantial shareholders, which may affect his independence. The Board considers Mr. Tay Boon Zhuan to be independent for the purposes of Rule 704(7) of the Catalist Rules. Further detailed information (including information as required pursuant to Rule 720(5) of the Catalist Rules) of Mr. Tay Boon Zhuan can be found in the sections entitled "**Board of Directors**", "**Corporate Governance Report**" and "**Directors' Statement**" of the FY2023 Annual Report.

(ii) The Ordinary Resolution 5 above, if passed, will empower the Directors of the Company from the date of this AGM until the date of the next AGM of the Company, or the date by which the next AGM of the Company is required by law to be held or such authority is varied or revoked by the Company in a general meeting, whichever is the earlier, to allot and issue Shares, make or grant Instruments convertible into Shares and to issue Shares pursuant to such Instruments. The aggregate number of Shares (including Shares to be made in pursuance of Instruments made or granted pursuant to this Resolution) which the Directors may allot and issue under this Resolution shall not exceed 100 per cent of the total number of issued Shares, excluding treasury shares and subsidiary holdings, of which the aggregate number of Shares to be issued other than on a pro-rata basis to all shareholders (including Shares to be issued in pursuance of the Instruments, made or granted pursuant to this Resolution) shall not exceed 50 per cent of the total number of issued shares, excluding treasury shares and subsidiary holdings at the time this Resolution is passed.

Notes:

1. The members of the Company are invited to **attend physically** at the AGM. **There will be no option for the members to participate virtually.** Printed copies of this Notice of AGM, Proxy Form and FY2023 Annual Report will be sent to the members of the Company. These documents are also made available on the Company's corporate website at the URL: https://senyueholdings.com and SGXNet at the URL: https://www.sgx.com/securities/company-announcements.

2. Members may submit questions relating to the Annual Report and resolutions set out in the Notice of AGM in advance:

   a) by email to gpe@mncsingapore.com; or

   b) by post to the Company's Share Registrar, M & C Services Private Limited, at 112 Robinson Road, #05-01, Singapore 068902.

   All questions must be submitted by 22 January 2024.

   Members, including CPF and SRS investors, who wish to submit their questions by post or by email are required to indicate their full names (for individuals)/company names (for corporates), NRIC/passport/company registration numbers, contact numbers, shareholding types and number of Shares held together with their submission of questions, to the Company's Share Registrar address or email address provided. Investors who hold Shares through relevant intermediaries (as defined in Section 181 of the Companies Act), excluding CPF and SRS investors, should contact their respective relevant intermediaries to submit their questions based on the abovementioned instructions.

   The Company will endeavour to address the substantial and relevant questions from members soonest possible and in any case, not later than 48 hours before the closing date and time for the lodgement of Proxy Forms. The responses to questions from members will be posted on the SGXNET and the Company's website. Any subsequent clarifications sought by the members after 22 January 2024 will be addressed at the AGM. The minutes of the AGM will be published on the SGXNET and the Company's website within one (1) month after the date of the AGM.

NOTICE OF ANNUAL GENERAL MEETING

3. A member who is not a relevant intermediary is entitled to appoint not more than two proxies to attend and vote at the AGM. Where such member appoints two proxies, the proportion of his shareholding to be represented by each proxy shall be specified in the Proxy Form.

   A member who is a relevant intermediary is entitled to appoint more than two proxies to attend and vote at the AGM, but each proxy must be appointed to exercise the rights attached to a different Share or Shares held by such member. Where such member appoints more than one proxy, the number of Shares in relation to which each proxy has been appointed shall be specified in the Proxy Form.

   "relevant intermediary" has the meaning ascribed to it in Section 181 of the Companies Act.

4. A proxy need not be a member of the Company.

5. The Proxy Form, duly executed together with the power of attorney or other authority, if any, under which the Proxy Form is signed or a notarially certified copy of that power of attorney or other authority (failing previous registration with the Company), must be submitted:

   a) by email to gpe@mncsingapore.com; or

   b) by post to the Company's Share Registrar, M & C Services Private Limited, at 112 Robinson Road, #05-01, Singapore 068902,

   in each case, not less than 48 hours before the time appointed for holding the AGM, i.e. by 10.00 a.m. on 28 January 2024.

   A member can appoint the Chairman of the Meeting as his/her/its proxy, but this is not mandatory.

6. The Proxy Form must be under the hand of the appointor or of his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its seal, executed as a deed in accordance with the Companies Act 1967 or under the hand of an attorney or an officer duly authorised, or in some other manner approved by the Directors. Where the instrument appointing a proxy or proxies is executed by an attorney on behalf of the appointor, the letter or power of attorney or a duly certified copy thereof must be lodged with the instrument of proxy.

7. Persons who hold Shares through relevant intermediaries (including CPF and SRS investors) and wish to exercise their votes should approach their respective relevant intermediaries (which would include CPF and SRS operators) through which they hold such Shares at least seven working days before the AGM to submit their voting instructions in order to allow sufficient time for their respective relevant intermediaries to in turn submit a Proxy Form for appointment of proxy to vote on their behalf by 10.00 a.m. on 19 January 2024.

8. A Depositor's name must appear on the Depository Register maintained by The Central Depository (Pte) Limited as at 72 hours before the time appointed for holding the AGM in order for the Depositor to be entitled to attend and vote at the AGM.

Personal Data Privacy:

By (a) submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the AGM and/or any adjournment thereof, or (b) submitting any question prior to the AGM of the Company in accordance with this Notice, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of the appointment of the Chairman as proxy for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, proxy lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "**Purposes**"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, (iii) addressing substantial and relevant questions from members received before the AGM and if necessary, following up with the relevant members in relation to such questions, (iv) enabling the Company (or its agents or service providers) to comply with any applicable laws, listing rules, regulations and/or guidelines by the relevant authorities, and (v) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

This Notice has been reviewed by the Company's sponsor, SAC Capital Private Limited (the "**Sponsor**"). This Notice has not been examined or approved by the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") and the SGX-ST assumes no responsibility for the contents of this document, including the correctness of the statements or opinions made or reports contained in this Notice.

The contact person for the Sponsor is Ms. Tay Sim Yee, at 1 Robinson Road, #21-00 AIA Tower, Singapore 048542, telephone (65) 6232 3210.

This page has been intentionally left blank

SEN YUE HOLDINGS LIMITED
(Company Registration No.: 200105909M)
(Incorporated in the Republic of Singapore)

PROXY FORM

(Please see notes overleaf before completing this form)

IMPORTANT:

1. A relevant intermediary (as defined in section 181 of the Companies Act 1967) may appoint more than two proxies to attend, speak and vote at the Annual General Meeting.
2. An Investor who holds shares under the Central Provident Fund Investment Scheme ("**CPF Investor**") and/or the Supplementary Retirement Scheme ("**SRS Investors**") (as may be applicable) may attend and cast his vote(s) at the AGM in person. CPF and SRS Investors who are unable to attend the AGM but would like to vote, may inform their CPF agent banks and/or SPS operators to appoint the Chairman of the AGM to act as their proxy. In which case, the CPF and SRS Investors shall be precluded from attending the AGM.
3. This proxy form is not valid for use by CPF and SRS investors and shall be ineffective for all intents and purported to be used by them.

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

of _____ (Address)

being a member/members of **SEN YUE HOLDINGS LIMITED** (the "**Company**"), hereby appoint:

Name	**NRIC/Passport No.**	**Proportion of Shareholdings**	
		No. of Shares	**%**
Address			

*and/or (delete as appropriate)

Name	**NRIC/Passport No.**	**Proportion of Shareholdings**	
		No. of Shares	**%**
Address			

or failing him/her/them*, the Chairman of the Annual General Meeting (the "**AGM**") as my/our* proxy/proxies* to vote for me/us on my/our* behalf at the AGM of the Company to be held at 3 Jalan Pesawat, Singapore 619361 on Tuesday, 30 January 2024 at 10.00 a.m. and at any adjournment thereof.

I/We* direct my/our* proxy/proxies* to vote for, against or abstain from the resolutions to be proposed at the AGM as indicated hereunder. If no specific direction as to voting is given, the proxy/proxies* will vote for, against or abstain from voting at his/their* discretion, as he/they* will on any other matter arising at the AGM and at any adjournment thereof.

All resolutions put to the vote at the AGM shall be decided by way of poll.

No.	**Resolutions**	**For**	**Against**	**Abstain**
ORDINARY BUSINESS				
1.	Adoption of the Directors' Statement and the Audited Financial Statements of the Company and the Group for the financial year ended 30 September 2023 together with the Independent Auditors' Report thereon			
2.	Approval of Directors' fees of S$125,000 for the financial year ending 30 September 2024, to be paid quarterly in arrears			
3.	Re-election of Mr. Tay Boon Zhuan as a Director			
4.	Re-appointment of Messrs Deloitte & Touche LLP as Auditors of the Company for the financial year ending 30 September 2024 and authorise the Directors to fix their remuneration			
SPECIAL BUSINESS				
5.	Authorise the Directors to allot and issue shares and/or instruments pursuant to Section 161 of the Companies Act 1967			

(Please indicate your vote "For" or "Against" or "Abstain" with a tick [✓] within the box provided. Alternatively, please indicate the number of votes as appropriate.)

Dated this _____ day of _____, 2024

Total number of Shares in	**No. of Shares**
(a) CDP Register	
(b) Register of Members	

_____
Signature of Shareholder(s)
or Common Seal of Corporate Shareholder

**Delete where inapplicable*

Notes:

1. If the member has shares entered against his name in the Depository Register, he should insert that number of shares. If the member has shares registered in his name in the Register of Members, he should insert that number of shares. If the member has shares entered against his name in the Depository Register and registered in his name in the Register of Members, he should insert the aggregate number of shares. If no number is inserted, this Proxy Form will be deemed to relate to all the shares held by the member.

2. A member who is not a relevant intermediary is entitled to appoint not more than two proxies to attend and vote at the AGM. Where such member appoints two proxies, the proportion of his shareholding to be represented by each proxy shall be specified in this Proxy Form.

   A member who is a relevant intermediary is entitled to appoint more than two proxies to attend and vote at the AGM, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member appoints more than one proxy, the number of shares in relation to which each proxy has been appointed shall be specified in this Proxy Form.

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

3. A proxy need not be a member of the Company.

4. This Proxy Form, duly executed must be submitted (a) by email to gpe@mncsingapore.com; or (b) by post to the Company's Share Registrar, M & C Services Private Limited, at 112 Robinson Road, #05-01, Singapore 068902, in each case, not less than 48 hours before the time appointed for holding the AGM, i.e. by 10.00 a.m. on 28 January 2024.

5. The appointment of a proxy or proxies shall not preclude a member from attending and voting in person at the AGM. If a member attends the AGM in person, the appointment of a proxy or proxies shall be deemed to be revoked, and the Company reserves the right to refuse to admit such proxy or proxies to the AGM.

6. This Proxy Form must be signed by the appointor or his attorney duly authorised in writing or, if the appointor is a corporation, it must be executed either under its common seal or signed by its attorney or officer duly authorised.

7. Where this Proxy Form is signed on behalf of the appointor by an attorney, the power of attorney or other authority or a notarially certified copy thereof (failing previous registration with the Company) must be lodged with this Proxy Form, failing which this Proxy Form may be treated as invalid.

8. A corporation which is a member may authorise by a resolution of its directors or other governing body such person as it thinks fit to act as its representative at the AGM in accordance with Section 179 of the Companies Act 1967.

9. Persons who hold shares through relevant intermediaries (including CPF and SRS investors) and wish to exercise their votes by appointing the Chairman of the AGM as proxy should approach their respective relevant intermediaries (which would include CPF agent banks and SRS operators) through which they hold such shares at least seven working days before the AGM to submit their voting instructions in order to allow sufficient time for their respective relevant intermediaries to in turn submit this Proxy Form to appoint the Chairman of the AGM to vote on their behalf by 10.00 a.m. on 19 January 2024.

10. The Company shall be entitled to reject this Proxy Form if it is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in this Proxy Form (including any related attachment). In addition, in the case of a member whose shares are entered in the Depository Register, the Company may reject any Proxy Form lodged if the member, being the appointor, is not shown to have shares entered against his name in the Depository Register as at 72 hours before the time appointed for holding the AGM, as certified by The Central Depository (Pte) Limited to the Company.

Personal Data Privacy:

By submitting this instrument appointing a proxy(ies) and/or representative(s), the member is deemed to have accepted and agreed to the personal data privacy terms set out in the notice of AGM of the Company dated 29 December 2023.

This page has been intentionally left blank

This page has been intentionally left blank

CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr. Yap Meng Sing
Executive Chairman and CEO
Mr. Limjoco Ross Yu
Lead Independent Director
Mr. Tay Boon Zhuan
Independent Director
Mr. Lau Yan Wai
Independent Director

AUDIT COMMITTEE

Mr. Limjoco Ross Yu
(Chairman)
Mr. Lau Yan Wai
Mr. Tay Boon Zhuan

REMUNERATION COMMITTEE

Mr. Lau Yan Wai
(Chairman)
Mr. Tay Boon Zhuan
Mr. Limjoco Ross Yu

NOMINATING COMMITTEE

Mr. Tay Boon Zhuan
(Chairman)
Mr. Lau Yan Wai
Mr. Limjoco Ross Yu

COMPANY SECRETARY

Sharon Lim Siew Choo

REGISTERED OFFICE

3 Jalan Pesawat
Singapore 619361
Tel: (65) 6268 9593
Fax: (65) 6264 0508

SHARE REGISTRAR

M & C Services Private Limited
112 Robinson Road #05-01
Singapore 068902

AUDITORS

Deloitte & Touche LLP
6 Shenton Way,
OUE Downtown 2 #33-00
Singapore 068809
Partner-in-charge: Tay Hwee Ling
(With effect from financial year ended
30 September 2022)

PRINCIPAL BANKERS

CIMB Bank Berhad
United Overseas Bank Limited
Ambank Islamic Berhad
DBS Bank Ltd
Hong Leong Bank Berhad

CONTINUING SPONSOR

SAC Capital Private Limited
1 Robinson Road
#21-00 AIA Tower
Singapore 048542
Tel: (65) 6232 3210
Registered professional: Ms. Tay Sim Yee

INVESTOR RELATIONS

Octave FinComm Private Limited
富登财经通讯私人有限公司
Website: www.octavecomms.com
Email: enquiry@octavecomms.com

SEN YUE HOLDINGS LIMITED
森跃控股有限公司

COMPANY REGISTRATION NUMBER: 200105909M
3 Jalan Pesawat
Singapore 619361
Tel: (65) 6268 9593
Fax: (65) 6264 0508