S&T Holdings Limited

(Incorporated in the Cayman Islands with limited liability)

Stock code : 3928

2020 ANNUAL REPORT

Contents

Corporate Information

BOARD OF DIRECTORS

Executive Directors
Mr. Poon Soon Huat *(Chairman)*
Mr. Koh Chew Chiang (alias Xu Zhouchang)
(formerly known as Faris Koh)
(Chief Executive Officer)
(appointed with effect from 26 November 2021)
Mr. Teo Teck Thye *(Chief Executive Officer)*
(resigned with effect from 26 November 2021)

Independent Non-Executive Directors
Mr. Chan Kwok Wing Kelvin
Mr. Tam Hon Fai
Mr. Wong Ka Bo Jimmy
(appointed with effect from 22 January 2021)
Mr. May Tai Keung Nicholas
(resigned with effect from 22 January 2021)

AUDIT COMMITTEE
Mr. Tam Hon Fai *(Chairman)*
Mr. Chan Kwok Wing Kelvin
Mr. Wong Ka Bo Jimmy
(appointed with effect from 22 January 2021)
Mr. May Tai Keung Nicholas
(resigned with effect from 22 January 2021)

REMUNERATION COMMITTEE
Mr. Chan Kwok Wing Kelvin *(Chairman)*
Mr. Koh Chew Chiang (alias Xu Zhouchang)
(formerly known as Faris Koh)
(appointed with effect from 26 November 2021)
Mr. Tam Hon Fai
Mr. Teo Teck Thye
(resigned with effect from 26 November 2021)

NOMINATION COMMITTEE
Mr. Poon Soon Huat *(Chairman)*
Mr. Chan Kwok Wing Kelvin
Mr. Wong Ka Bo Jimmy
(appointed with effect from 22 January 2021)
Mr. May Tai Keung Nicholas
(resigned with effect from 22 January 2021)

COMPANY SECRETARY
Ms. Leung Hoi Yan

AUTHORISED REPRESENTATIVES
Mr. Poon Soon Huat
Ms. Leung Hoi Yan

LEGAL ADVISER TO THE COMPANY
As to Hong Kong law
ONC Lawyers
19th Floor
Three Exchange Square
8 Connaught Place
Central, Hong Kong

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

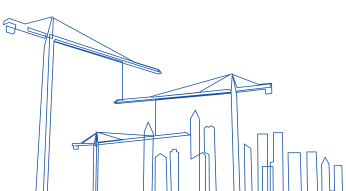
HEADQUARTERS AND PRINCIPAL PLACE OF BUSINESS IN SINGAPORE
16 Kian Teck Way
Singapore 628749

PRINCIPAL PLACE OF BUSINESS IN HONG KONG
Unit B, 17/F, United Centre
95 Queensway, Hong Kong

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE
Conyers Trust Company (Cayman) Limited
Cricket Square
Hutchins Drive
PO Box 2681
Grand Cayman KY1-1111
Cayman Islands

BRANCH SHARE REGISTRAR AND TRANSFER OFFICE
Boardroom Share Registrars (HK) Limited
2103B, 21/F, 148 Electric Road
North Point, Hong Kong

PRINCIPAL BANKERS
Maybank Banking Berhad
United Overseas Bank Limited
DBS Bank Ltd



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

COMPLIANCE ADVISER
Grande Capital Limited
Room 2701, 27th Floor, Tower One
Admiralty Centre
18 Harcourt Road
Admiralty, Hong Kong

COMPANY'S WEBSITE
www.singtec.com.sg

STOCK CODE
3928

Chairman's Statement

Dear Shareholders,

On behalf of the board (the "**Board**") of directors (the "**Directors**") of S&T Holdings Limited (the "**Company**", together with its subsidiaries, the "**Group**", "**we**" or "**us**"), I am pleased to present to our shareholders the annual report of the Group for the year ended 30 September 2020.

This year has been a difficult one for us, where the novel coronavirus ("**COVID-19**") has caused drastic disruptions to our supply chain and manpower resources. In Singapore, circuit breaker (the "**Circuit Breaker**") measures were imposed by the Singapore Government from 7 April 2020 to 1 June 2020 (both dates inclusive) (the "**Circuit Breaker period**") to combat the local transmission of COVID-19 in Singapore. As construction works are identified as non-essential services according to the Circuit Breaker measures, the progress of the Group's certain construction works was slowed down. After the Circuit Breaker period, our operations did not immediately resume to a normal level as the construction works in Singapore were resumed gradually in phases under the regulation of the Building and Construction Authority ("**BCA**") in Singapore.

Despite these turbulent times, we strive to continuously adapt and transform ourselves to the new norm under the COVID-19 pandemic. It has toughened our people to manage and overcome the challenges which have brought about a new set of challenges extensively. We are confident that we will be able to weather through this storm with resilience and determination.

On a brighter note, I am humbled and honoured that one of our subsidiaries, Sing Tec Development Pte. Ltd, has achieved an upgrade of its BCA license (CW02 Civil Engineering), from B1 to A2 in February 2020. With the upgrade in our credentials, the Group is able to expand our reach to more business opportunities in the future. We will optimise and manage our resources to seize opportunities and actively engage in those which are beneficial to the long-term development of the Group.

Lastly, I would like to take this opportunity to express our sincere gratitude to our directors, the management team and our dedicated staff for their contribution throughout the years, as well as to the shareholders and business partners for their trust and support.

S&T Holdings Limited
Poon Soon Huat
Chairman and Executive Director

24 January 2022

BUSINESS REVIEW AND OUTLOOK

The Group has been established for over 20 years and is principally engaged in construction services and property investment business in Singapore. The Group specialises in providing construction services and solutions in (i) civil engineering works entailing road works, earthworks, drainage works, earth retaining stabilising structure works and soil improvement works; (ii) building construction works mainly for industrial buildings which include substructure works, piling works, addition and alteration works and electrical and mechanical works; and (iii) other ancillary services which include logistics and transportation services of construction materials. The Group's property investment business primarily includes residential and industrial properties leasing.

The Group recorded a decrease in total revenue of approximately S$45.6 million, from approximately S$87.1 million for the year ended 30 September 2019 (restated) to approximately S$41.5 million for the year ended 30 September 2020. The Group incurred a gross loss of approximately S$2.0 million for the year ended 30 September 2020, as compared to a gross profit of approximately S$13.4 million for the year ended 30 September 2019 (restated). The Group also incurred a net loss of approximately S$7.1 million for the year ended 30 September 2020, as compared to the net profit of approximately S$1.4 million for the year ended 30 September 2019 (restated).

The above decreases were mainly attributable to (i) the material adverse impact from the outbreak of COVID-19 that took place in early 2020, which led to the imposition of the Circuit Breaker by the Singapore Government to combat the local transmission of the COVID-19 in Singapore. The COVID-19 pandemic and the Circuit Breaker have caused massive disruptions to the Group's supply chain and manpower resources. After the Circuit Breaker period, the Group's operations did not immediately resume to its normal level as the construction works in Singapore were resumed gradually in phases under the regulation of the BCA. As such, the Group's projects that were expected to commence after the Circuit Breaker period for the year ended 30 September 2020 were significantly delayed due to the impact of COVID-19. Meanwhile, the Group continued to incur costs for its direct labour which include staff costs and rental expenses for dormitories and costs for complying with the additional and controlled safe restart measures imposed by the BCA for each of the Group's projects; (ii) some of the sizable projects of the Group being substantially completed in the end of 2019 but fewer projects being awarded to the Group during the year ended 30 September 2020 as compared to the corresponding year ended 30 September 2019; and (iii) an increase in allowance for expected credit loss in respect of the Group's trade receivables and contract assets given the current market environment and the management's expectation of the collectability of trade receivables and contract assets impacted by the current economic downturn.

In the upcoming financial years, the Group anticipates a slow recovery to its business operations and financial performance from the adverse effects of COVID-19 as the growth of the construction industry in Singapore is expected to be weakened in the near future. The Group will continue to monitor and adapt to the overall economic environment and work with the Group's customers and the relevant government authorities closely to mitigate any potential risks and issues.

Furthermore, the Group's financial position, results of operations and business prospects may be affected by a number of risks and uncertainties. The key risks and uncertainties included the following:

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

The Group relies on subcontractors to carry out part of its projects, charges from which accounted for approximately 53.6% (2019 (restated): approximately 62.3%) of the Group's total cost of services for the year ended 30 September 2020. Any unexpected fluctuations in subcontracting charges during the course of execution of the Group's projects will thus have a negative impact on the Group's profitability. Besides, there is no assurance that the Group's subcontractors will always provide services at acceptable standards, and the Group may incur additional time and costs in rectifying substandard works, if any, which may cause cost overrun or delay to the projects.

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

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

Other risks facing the Group are set out in the section headed "Risk Factors" of the prospectus of the Company dated 29 August 2019 (the "**Prospectus**").

FINANCIAL REVIEW

Revenue

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

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

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

	For the year ended 30 September			
	2020		2019	
	Revenue S$ million	**% of total revenue**	Revenue S$ million (Restated)	% of total revenue (Restated)
Construction services				
Civil engineering works	**35.3**	**85.0**	73.6	84.5
Building construction works	**5.4**	**13.0**	11.8	13.5
Other ancillary services	**0.4**	**1.0**	1.2	1.4
	41.1	**99.0**	86.6	99.4
Property investments	**0.4**	**1.0**	0.5	0.6
Total revenue	**41.5**	**100.0**	87.1	100.0

The Group's overall revenue decreased by approximately S$45.6 million or approximately 52.4% from approximately S$87.1 million for the year ended 30 September 2019 (restated) to approximately S$41.5 million for the year ended 30 September 2020. The decrease in the Group's total revenue was mainly driven by the decrease in revenue from both civil engineering works and building construction works by approximately S$38.3 million and S$6.4 million, respectively. Revenue contributed from property investments remained relatively stable during the years under review.

The following table sets forth the breakdown of the Group's revenue from construction services by type of customers:

	For the year ended 30 September			
	2020		2019	
	Revenue S$ million	**% of total revenue**	Revenue S$ million (Restated)	% of total revenue (Restated)
Public customers	**20.1**	**48.9**	47.5	54.8
Private customers	**21.0**	**51.1**	39.1	45.2
Total revenue from construction services	**41.1**	**100.0**	86.6	100.0

The decrease in the Group's revenue from construction services was mainly driven by the decrease in revenue from both public and private customers which have decreased significantly by approximately S$27.4 million or 57.7% and approximately S$18.1 million or 46.3%, respectively. The decrease in revenue from both public and private customers were mainly because of (i) the material adverse impact and disruptions from COVID-19, where the majority of the Group's construction works were halted during the Circuit Breaker period and the Group's operations did not immediately resume to normal operating levels thereafter; and (ii) some of the sizable projects of the Group were substantially completed in the end of 2019 and fewer projects were awarded to the Group during the year ended 30 September 2020 as compared to the corresponding period in the year ended 30 September 2019.

Cost of services

The Group's cost of services decreased by approximately S$30.1 million or 40.8% from approximately S$73.7 million for the year ended 30 September 2019 (restated) to approximately S$43.6 million for the year ended 30 September 2020. Such decrease in cost of services was mainly due to the decrease in revenue as discussed above. Despite the majority of the Group's projects were halted during the Circuit Breaker period, the Group continues to incur costs for its direct labour which includes staff costs and rental expenses for dormitories and costs for complying with the additional and controlled safe restart measures imposed by the BCA for each of the Group's projects.

Gross profit and gross profit margin

The Group recorded a gross loss for the year ended 30 September 2020 of approximately S$2.0 million, as compared to a gross profit of approximately S$13.4 million for the year ended 30 September 2019 (restated).

The Group recorded a significant drop in gross profit margin from approximately 15.4% for the year ended 30 September 2019 (restated) to gross loss of approximately 4.9% for the year ended 30 September 2020. The decrease in the Group's gross profit margin was mainly due to the relatively lower margin of the newly awarded projects during the year as compared to the previously awarded projects. The impact of COVID-19 also resulted in more unforeseen costs incurred as discussed above and thus the drop in gross profit margin of the on-going projects.

Other income

Other income mainly included (i) government grants; (ii) rental income from renting properties to the executive Directors; and (iii) rental income from renting equipment. For the year ended 30 September 2020, other income amounted to approximately S$2.6 million (2019: approximately S$0.2 million). The increase in other income was mainly driven by the increase in government grants for the purpose of alleviating the financial burden of Singapore companies resulting from COVID-19.

Other gains and losses

Other gains and losses mainly included (i) net gain on disposal of property, plant and equipment; (ii) gain from sale of scrap materials; and (iii) fair value gains/losses on investment properties and investment properties held under joint operations. For the year ended 30 September 2020, other gains and losses amounted to a net gain of approximately S$0.3 million (2019: approximately S$0.5 million). The decrease in net gain was mainly due to (i) the decrease in the fair value on investment properties held under joint operations, financial assets at fair value through profit or loss; and (ii) the non-recurrence of written off of payables, offset by (iii) the increase in net gain on disposal of property, plant and equipment.

Administrative expenses

Administrative expenses amounted to approximately S$5.8 million for the year ended 30 September 2020, as compared to approximately S$6.2 million for the year ended 30 September 2019. Such decrease was mainly due to the decrease in staff costs during the year ended 30 September 2020.

Impairment loss on financial assets and contract assets

Impairment loss on financial assets and contract assets amounted to approximately S$0.9 million for the year ended 30 September 2020, representing an increase of approximately S$0.8 million as compared to approximately S$0.1 million for the year ended 30 September 2019. The increase was mainly attributable to the increase in expected credit loss in respect of the Group's trade receivables and contract assets during the year given the current market environment and the management's expectation of the collectability of trade receivables and contract assets impacted by the current economic downturn.

Finance costs

The Group's finance costs increased by approximately S$0.3 million from approximately S$1.0 million for the year ended 30 September 2019 to approximately S$1.3 million for the year ended 30 September 2020. Such increase was mainly driven by the increase in the Group's bank borrowings.

Income tax expense

Income tax expense decreased from approximately S$1.7 million for the year ended 30 September 2019 (restated) to an income tax credit of approximately S$0.1 million for the year ended 30 September 2020. Such decrease was due to the loss before taxation for the year ended 30 September 2020, as compared to the profit before taxation for the year ended 30 September 2019.

Loss for the year
Profit for the year decreased significantly by approximately S$8.5 million from approximately S$1.4 million for the year ended 30 September 2019 (restated) to loss for the year of approximately S$7.1 million for the year ended 30 September 2020. This was mainly due to the significant drop in gross profit by approximately S$15.4 million to a gross loss for the year ended 30 September 2020.

Excluding listing expenses of approximately S$3.8 million and nil for the years ended 30 September 2019 and 30 September 2020, respectively, profit for the year ended 30 September 2019 (restated) would have been approximately S$5.2 million and the loss after taxation for the year ended 30 September 2020 would remain at approximately S$7.0 million.

FINAL DIVIDEND

The Board has resolved not to recommend the declaration of a final dividend for the year ended 30 September 2020 (2019: nil).

LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

The Group manages its capital to ensure that it will be able to continue as a going concern while maximising the return to shareholders through the optimisation of its debt and equity. The Group's overall strategy remains unchanged since the listing of the Company's shares (the "**Listing**") by way of share offer (the "**Share Offer**") in September 2019. The capital structure of the Group consists of debt, which includes bank overdrafts, bank borrowings and obligations under finance leases, net of bank deposits, bank balances and cash, and equity attributable to owners of the Company, comprising share capital and reserves.

The Group finances its working capital, capital expenditures and other liquidity requirements through a combination of cash and cash equivalents and net proceeds from the Share Offer.

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

As at 30 September 2020, the Group had bank balances and cash of approximately S$10.1 million as compared to approximately S$20.9 million as at 30 September 2019. The Group had total bank overdrafts, bank borrowings (including bank borrowings held under joint operations), lease liabilities of approximately S$28.9 million as compared to approximately S$26.2 million as at 30 September 2019.

Gearing ratio
Gearing ratio is calculated by dividing bank overdrafts, all borrowings, lease liabilities and obligations under finance leases by total equity at the year-end date and expressed as a percentage. The gearing ratio of the Group as at 30 September 2020 was approximately 69.1% (2019: approximately 53.8%).

Pledge of assets
The Group had pledged its bank deposits, owner-occupied properties, investment properties and investment properties held under joint operations to secure banking facilities, including bank borrowings, for the years ended 30 September 2019 and 2020.

Treasury policy

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

FOREIGN EXCHANGE RISK

The Group mainly operates in Singapore. Most of the operating transactions and revenue were settled in Singapore dollars and the Group's assets and liabilities are primarily denominated in Singapore dollars. However, the Group has certain bank balances and other payables denominated in Hong Kong dollars amounting to approximately S$8.9 million and S$0.03 million, respectively, as at 30 September 2020 which expose the Group to foreign currency risk. The Group does not have a foreign currency hedging policy. However, the Group manages the risk by closely monitoring the movements of the foreign currency rate and would consider hedging against significant foreign currency exposure should it be necessary.

CONTINGENT LIABILITIES

There was no contingent liabilities during the year ended 30 September 2020.

MATERIAL ACQUISITION AND DISPOSAL OF SUBSIDIARIES

There was no material acquisition or disposal of subsidiaries, associate companies or joint ventures during the year ended 30 September 2020 and up to the date of this report.

SIGNIFICANT INVESTMENTS HELD

Save for the Group's investment properties (the details of which are set out in Notes 16 and 17 to the consolidated financial statements), keyman life insurance policies (the details of which are set out in Note 19 to the consolidated financial statements) and the Company's investment in various subsidiaries and a joint venture (the details of which are set out in Notes 18 and 35 to the consolidated financial statements), the Group did not hold any significant investments as at 30 September 2020.

FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

Save as disclosed in the Prospectus, the Group did not have other future plans for material investments or capital assets as at 30 September 2020.

EMPLOYEES AND REMUNERATION POLICY

As at 30 September 2020, the Group had a total of 228 employees (2019: 226 employees), including two executive Directors but excluding three independent non-executive Directors. Total staff costs including Directors' emoluments, salaries, wages and other staff benefits, contributions and retirement schemes for the year ended 30 September 2020 amounted to approximately S$8.9 million (2019: approximately S$10.7 million).

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

RETIREMENT BENEFIT COSTS

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

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

During the year ended 30 September 2020, there were no contributions forfeited by the Group on behalf of its employees who left the plan prior to vesting fully in such contribution, nor had there been any utilisation of such forfeited contributions to reduce future contributions. As at 30 September 2020, no forfeited contributions were available for utilisation by the Group to reduce the existing level of contributions.

PERFORMANCE BONDS

As at 30 September 2020, the Group had performance bonds of approximately S$13.4 million (2019: approximately S$9.1 million) given in favour of the Group's customers as security for the due performance and observance of the Group's obligation under the contracts entered into between the Group and the customers. The performance guarantees will be released upon completion of the contracts.

CAPITAL EXPENDITURES AND CAPITAL COMMITMENTS

During the year ended 30 September 2020, the Group acquired items of property, plant and equipment of approximately S$5.1 million (2019: approximately S$2.0 million). Save for the future plans and the use of proceeds from the listing as set out in the Prospectus, the Group had no material capital commitments as at 30 September 2020.

USE OF NET PROCEEDS FROM THE SHARE OFFER

The net proceeds from the Share Offer (after deducting listing expenses) amounted to approximately HK$86.3 million (equivalent to approximately S$15.2 million). An analysis of the utilisation of the net proceeds from the Share Offer from 19 September 2019 (the "**Listing Date**") up to 30 September 2020 is set out below:

Purposes	**Planned use of net proceeds**		**Planned amount of net proceeds to be utilised from the Listing Date up to 30 September 2020**	**Actual amount of net proceeds utilised from the Listing Date up to 30 September 2020**	**Unutilised amount of net proceeds as at 30 September 2020**	**Expected timeline for the use of the remaining balance of the net proceeds**
	HK$ million	%	HK$ million	HK$ million	HK$ million	
Strengthening the Group's financial position	21.8	25.3	21.8	21.8	–	N/A
Enhancing the Group's machinery fleet	31.0	36.0	31.0	10.1	20.9	by 30 September 2022
Strengthening the Group's workforce	11.6	13.4	11.6	2.6	9.0	by 30 September 2022
Developing production area for steel bar fabrication	2.0	2.3	2.0	1.1	0.9	by 30 September 2022
Investing in BIM and ERP systems	5.3	6.1	5.3	–	5.3	by 30 September 2022
Acquiring investment properties	14.6	16.9	14.6	–	14.6	by 30 September 2022
Total	**86.3**	**100.0**	**86.3**	**35.6**	**50.7**	

As at 30 September 2020, part of the unutilised amount of net proceeds was placed in interest-bearing deposits with authorised financial institutions or licensed banks in Hong Kong and Singapore. Up to 30 September 2020, the utilised net proceeds were applied in accordance with the planned use as previously disclosed in the Prospectus and the remaining net proceeds are expected to be used as planned.

The delay in utilising the net proceeds up to 30 September 2020 was mainly due to the outbreak of COVID-19 and the imposition of the Circuit Breaker. Save for strengthening the Group's financial position, the Company delayed its use of net proceeds so as to preserve the cash position and liquidity of the Group given the uncertainty caused by COVID-19. It is expected that the remaining unutilised amount of net proceeds will be utilised by the year ending 30 September 2022 depending on the development of COVID-19 and its impact on the economic conditions in Singapore.

EXECUTIVE DIRECTORS

Mr. Poon Soon Huat, aged 68, was appointed as the Director on 17 September 2018 and re-designated as the executive Director on 10 December 2018. He also serves as the chairman of the Board and is the chairman of the nomination committee of the Company. He is responsible for overall management, formulation of business strategies and supervision of operations of the Group.

Mr. Poon has over 30 years of experience in the construction industry in Singapore. He is a co-founder of the Group. He is also a director of each and every wholly-owned subsidiary of the Company. From 1984 to 1993, he was a director of Veely Construction Pte Ltd. From 1991 to 2007, he was also a director of Chang Yong Construction Pte Ltd.

Mr. Poon was educated to General Certification of Education secondary IV level in Singapore. Mr. Poon obtained a Trade Certificate in Applied Electronic from Jurong Vocational Institute in 1972 and a certificate of Construction Safety Course for Project Managers from the Ministry of Manpower of Singapore in 1998.

Mr. Koh Chew Chiang (alias Xu Zhouchang) (formerly known as Faris Koh), aged 45, was appointed as the executive Director on 26 November 2021. He also serves as the chief executive officer of the Company and is a member of the remuneration committee of the Company. He is primarily responsible for the Group's overall project supervision and management.

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

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

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Chan Kwok Wing Kelvin, aged 68, was appointed as the independent non-executive Director on 23 August 2019. He is primarily responsible for providing independent judgement on the strategy, performance, resources and standard of conduct. He is the chairman of the remuneration committee and a member of the audit and nomination committee of the Company.

From October 1979 to July 1980, Mr. Chan worked with Ng Chun Man & Associates as town planner. From July 1980 to July 1981, he worked with Hong Kong Prisons Department (currently known as Hong Kong Correctional Services Department) as executive officer. From July 1981 to December 2013, he worked with the Planning Department of Hong Kong government, with his last position as chief town planner. Since January 2010, Mr. Chan has been a director of several limited companies, which are mainly engaged in provision of corporate services and properties and investment holding. On 20 May 2020, Mr. Chan was appointed as an independent non-executive director of Kingland Group Holdings Limited, a company listed on the Main Board (stock code: 1751).

Mr. Chan obtained a degree of bachelor of arts from the University of Toronto in June 1979 and degree of master of philosophy from the University of London in July 1985. He also obtained a certificate in urban design from the University of Hong Kong in June 1992 and a postgraduate diploma in photography from the School of Professional and Continuing Education of the University of Hong Kong in June 2016. He was elected as a member of the Hong Kong Institute of Planners in July 1986 and a member of the Royal Town Planning Institute in June 1986.

Mr. Wong Ka Bo Jimmy, aged 41, was appointed as the independent non-executive Director on 22 January 2021. He is primarily responsible for providing independent judgement on the strategy, performance, resources and standard of conduct. He is a member of the audit and nomination committee of the Company.

Mr. Wong is a practising member of the Hong Kong Institute of Certified Public Accountants. Mr. Wong has more than 14 years of experience in assurance and advisory services. Mr. Wong worked in Ernst and Young for 8 years from 2005 to 2013 and his last position was audit manager. He then worked as an advisory and audit manager in a Japanese accounting firm from 2013 to 2014. He was an accounting and finance manager of a subsidiary of a company listed on the Main Board of the Stock Exchange from 2014 to 2016. He then joined another accounting firm as a senior audit manager from 2016 to 2018. Since 2020, he has been the managing director of McM (HK) CPA Limited, a Hong Kong accounting firm. Mr. Wong was awarded a bachelor's degree in accountancy, specialism in accounting information system from The Hong Kong Polytechnic University in 2005. From November 2019 to November 2020, Mr. Wong was an executive director of Chong Sing Holdings FinTech Group Limited (stock code: 8207), a company incorporated in the Cayman Islands and previously listed on GEM of the Stock Exchange and is in official liquidation.

Mr. Tam Hon Fai, aged 38, was appointed as the independent non-executive Director on 23 August 2019. He is primarily responsible for providing independent judgement on the strategy, performance, resources and standard of conduct. He is the chairman of the audit committee and a member of the remuneration committee of the Company.

Mr. Tam worked at Deloitte Touche Tohmatsu from September 2006 to August 2011 in the audit department. From December 2011 to July 2013, Mr. Tam was the company secretary of Zhonghua Gas Holdings Limited (formerly known as Northern New Energy Holdings Limited and Noble House (China) Holdings Limited) (stock code: 8246), a company listed on GEM of the Stock Exchange, responsible for general corporate governance affairs. From February 2014 to September 2014, Mr. Tam was the financial controller of Bamboos Health Care Holdings Limited (stock code: 2293), a company listed on GEM of the Stock Exchange in July 2014 and transferred of its listing to the Main Board in February 2017, responsible for financial operations and management. Since January 2012, Mr. Tam has acted as audit partner of CTY & Co. In June 2020, Mr. Tam joined Marksman Services Group Limited, a firm principally engaged in provision of corporate advisory services, and was appointed as executive director. Since October 2020, Mr. Tam has acted as audit partner of IPA CPA Limited.

Mr. Tam obtained a degree of bachelor of business administration in accounting from the Hong Kong University of Science and Technology in May 2006. He has been a qualified accountant of the Hong Kong Institute of Certified Public Accountants since January 2010.

SENIOR MANAGEMENT

Mr. Wong Yong Xian, aged 33, is the finance manager of the Company. He joined the Group in September 2018 and has been the finance manager since then. He is primarily responsible for overseeing the finance and accounting operation.

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

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

Ms. Ooi Sock Hoon, aged 47, is the human resources and administration manager of the Company. She joined the Group in September 2007 as administrative clerk. She was then promoted as accounts assistant, human resources, administrative and finance executive and human resources and administration manager in April 2008, April 2009 and September 2018, respectively. She is primarily responsible for overseeing the human resources and administrative matters.

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

The Company is committed to achieving high standards of corporate governance to safeguard the interests of its shareholders and enhance its corporate value. The Company adopted all the code provisions in the Corporate Governance Code (the "**CG Code**") in Appendix 14 of Rules Governing the Listing of Securities (the "**Listing Rules**") on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") as its own code on corporate governance practices.

During the year ended 30 September 2020 (the "**Year**"), the Company had complied with the code provisions set out in the CG Code.

BOARD OF DIRECTORS

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

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

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

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

The Board currently comprises, two executive Directors, namely Mr. Poon Soon Huat (chairman) and Mr. Koh Chew Chiang (alias Xu Zhouchang) (formerly known as Faris Koh) (chief executive officer (the "**CEO**")) and three independent non-executive Directors (the "**INED**"), namely Mr. Chan Kwok Wing Kelvin, Mr. Wong Ka Bo Jimmy and Mr. Tam Hon Fai.

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

	No. of meetings attended/No. of meetings held				
Directors	**Board**	**Audit Committee**	**Remuneration Committee**	**Nomination Committee**	**Annual General Meeting**
Executive Director					
Mr. Poon Soon Huat *(Chairman)*	4/4	N/A	N/A	2/2	1/1
Mr. Teo Teck Thye *(CEO)* *(resigned on 26 November 2021)*	4/4	N/A	2/2	N/A	1/1
Independent Non-Executive Director					
Mr. Chan Kwok Wing Kelvin	4/4	2/2	2/2	2/2	1/1
Mr. May Tai Keung Nicholas *(resigned on 22 January 2021)*	4/4	2/2	N/A	2/2	1/1
Mr. Tam Hon Fai	4/4	2/2	2/2	N/A	1/1

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

Under the code provision A.4.1 of the CG Code, non-executive directors should be appointed for a specific term, subject to re-election. The term of appointment pursuant to the letter of appointment of Mr. Chan Kwok Wing Kelvin, Mr. May Tai Keung Nicholas (who resigned on 22 January 2021) and Mr. Tam Hon Fai is for a period of three years till August 2022. The term of appointment pursuant to the letter of appointment of Mr. Wong Ka Bo Jimmy is for a term of three years commencing from 22 January 2021. The non-executive Directors are subject to the requirement that one-third of all the Directors shall retire from office by rotation at each annual general meeting pursuant to the amended and restated articles of association ("**Articles of Association**") of the Company.

CONTINUOUS PROFESSIONAL DEVELOPMENT OF DIRECTORS

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

The executive Directors, Mr. Poon Soon Huat and Mr. Teo Teck Thye (who resigned on 26 November 2021), participated in CPD activities by way of attending training covering topics including construction restart leadership and post COVID real estate development.

The INED, Mr. Chan Kwok Wing Kelvin, participated in CPD activities by way of attending training covering topics including Securities and Futures Commission's enforcement actions against listed corporations.

The INED, Mr. May Tai Keung Nicholas (who resigned on 22 January 2021), participated in CPD activities by way of attending training covering topics including data protection regulation and insights into listed company suspension.

The INED, Mr. Tam Hon Fai, participated in CPD activities by way of attending training covering topics including insurance taxation, anti-money laundering, disclosure of inside information and risk and quality management.

SECURITIES TRANSACTIONS BY DIRECTORS

The Company adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") as set out in Appendix 10 of the Listing Rules as its codes of conduct regarding securities transactions by Directors and by relevant employees of the Company. All Directors, who held office as Director during the Year, have confirmed, following specific enquiries by the Company, that they fully complied with the Model Code and its code of conduct regarding the Directors' securities transactions during the Year.

REMUNERATION COMMITTEE

The Company established a remuneration committee in August 2019 with written terms of reference in compliance with the CG Code of the Listing Rules. The remuneration committee of the Company comprises executive Directors, namely Mr. Teo Teck Thye (who resigned on 26 November 2021) and Mr. Koh Chew Chiang (alias Xu Zhouchang) (formerly known as Faris Koh) (who was appointed on 26 November 2021), and two INEDs, namely Mr. Chan Kwok Wing Kelvin and Mr. Tam Hon Fai. The remuneration committee of the Company is chaired by Mr. Chan Kwok Wing Kelvin.

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

During the Year, the remuneration committee of the Company reviewed the Group's remuneration policy and structure; and reviewed and approved the remuneration packages of the executive Directors and senior management of the Company and all disclosure statements in relation to the remuneration committee of the Company and the remuneration of the Directors including in the annual report and the interim report of the Company.

A remuneration committee meeting of the Company was then held on 24 January 2022 to review and approve all disclosure statements in relation to the remuneration committee of the Company and the remuneration of the Directors including in this report.

Details of Directors' emoluments for the Year are disclosed in Note 12 to the consolidated financial statements and the retirement benefit plan is disclosed in Note 29 to the consolidated financial statements.

NOMINATION COMMITTEE

The Company established a nomination committee (the "**NC**") in August 2019 with written terms of reference in compliance with the CG Code of the Listing Rules. The NC comprises one executive Director, namely Mr. Poon Soon Huat, and INEDs, namely Mr. Chan Kwok Wing Kelvin, Mr. May Tai Keung Nicholas (who resigned on 22 January 2021) and Mr. Wong Ka Bo Jimmy (who was appointed on 22 January 2021). The NC is chaired by Mr. Poon Soon Huat.

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

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

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

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

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

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

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

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

Each of the executive Directors, Mr. Poon Soon Huat and Mr. Teo Teck Thye (who resigned on 26 November 2021), entered into a service agreement for his appointment with the Company for an initial term of three years commencing from September 2019. The executive Director, Mr. Koh Chew Chiang (alias Xu Zhouchang) (formerly known as Faris Koh) (who was appointed on 26 November 2021), entered into a service agreement for his appointment with the Company for a term of three years commencing from November 2021. Each of the INEDs, Mr. Chan Kwok Wing Kelvin, Mr. Tam Hon Fai and Mr. May Tai Keung Nicholas (who resigned on 22 January 2021), entered into a letter of appointment with the Company for a term of three years commencing from August 2019. The INED, Mr. Wong Ka Bo Jimmy (who was appointed on 22 January 2021), entered into a letter of appointment with the Company for a term of three years commencing from January 2021. All Directors are subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the Articles of Association.

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

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

During the Year, the NC reviewed the structure, size and composition of the Board, assessed the independence of the INEDs, recommended the Directors for re-election at annual general meeting and reviewed and approved all disclosure statements in relation to the NC including in the annual report and the interim report of the Company.

A NC meeting of the Company was held on 24 January 2022 to review and approve all disclosure statements in relation to the NC including in this report.

AUDIT COMMITTEE

The Company established an audit committee (the "**Audit Committee**") in August 2019 with written terms of reference in compliance with the CG Code of the Listing Rules. The Audit Committee of the Company comprises INEDs, namely Mr. Tam Hon Fai, Mr. Chan Kwok Wing Kelvin, Mr. May Tai Keung Nicholas (who resigned on 22 January 2021) and Mr. Wong Ka Bo Jimmy (who was appointed on 22 January 2021). The Audit Committee of the Company is chaired by Mr. Tam Hon Fai.

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

During the Year, the Audit Committee of the Company reviewed the accounting principles and practices adopted by the Group with the management and the Company's auditor; discussed auditing, internal control and financial reporting matters including the audited consolidated financial statements and unaudited consolidated interim financial statements; and reviewed and approved all disclosure statements in relation to the Audit Committee of the Company including in the annual report and the interim report of the Company and the terms of engagement of the auditor of the Company.

An Audit Committee meeting of the Company was held on 24 January 2022 to review and approve the annual results of the Group for the year ended 30 September 2020 and all disclosure statements in relation to the Audit Committee of the Company including in this report.

DIRECTORS' RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

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

AUDITOR AND THEIR REMUNERATION

HLB Hodgson Impey Cheng Limited ("**HLB**") has been appointed by the Board as the new auditor of the Company with effect from 30 April 2021 to fill the vacancy arising from the resignation of Deloitte & Touche LLP ("**Deloitte**"). The statement of the auditor of the Company about their reporting responsibilities on the Group's financial statements for the Year is set out in the section "Independent Auditors' Report" of this report.

During the Year, the Company paid S$240,000 in respect of audit services and nil in respect of non-audit services.

BOARD DIVERSITY POLICY

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

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

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

The Board will review the Board Diversity Policy on a regular basis to ensure its continued effectiveness. The Company has also taken, and will continue to take steps to promote gender diversity at all levels of the Company, including but not limited to the Board and senior management levels. While we recognise that gender diversity at the Board level can be improved given its current composition of all-male Directors, the Company will continue to apply the principle of appointments based on merits with reference to the Board Diversity Policy as a whole.

RISK MANAGEMENT AND INTERNAL CONTROL

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

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

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

Risk management and internal control systems are reviewed on an annual basis. During the Year, the Board reviewed the effectiveness of the Group's risk management and internal control systems. As disclosed in the Company's announcement dated 19 January 2021, the Company engaged BT Corporate Governance Limited ("**BTCGL**") as the independent internal control adviser to conduct an independent review in relation to the audit findings raised by Deloitte (the "**Audit Findings**"), the details of which were set out in the Company's announcement dated 31 December 2020. For details of the key findings by BTCGL, please refer to the Company's announcement dated 31 December 2021. Our Group has already implemented the recommendations by BTCGL in relation to the Audit Findings. The Company considered the Group's risk management and internal control systems are effective and adequate.

As disclosed in the Company's announcement dated 19 January 2021, the Company engaged BT Corporate Governance Limited (the "**Independent Reviewer**") as the independent internal control adviser to conduct the independent review on the audit findings raised by Deloitte, the former auditor of the Company. As disclosed in the Company's announcement dated 31 December 2021, the Independent Reviewer completed the independent review and an independent follow-up review. The Independent Reviewer was of the opinion that (i) it did not note any conclusive evidence of fraud committed by management of the Company; and (ii) nothing had come to its attention which suggested that there was evidence of collusion among management and employees of the Group as well as the subcontractors of the Group.

The Audit Committee of the Company and the Board are of the view that the content of and findings in the report of the Independent Reviewer (the "**Report**") were reasonable and acceptable, and the Board was of the view that the Report has adequately addressed the concerns raised by Deloitte and HLB.

Having considered the Report and the remediated actions taken by the Group, the Audit Committee of the Company and the Board were of the view that the remedial and improvement measures implemented by the Company were adequate and sufficient to address the internal control weaknesses identified in light of the Audit Findings and that the improved internal controls provide reasonable assurance that the root causes leading to the audit findings will not recur.

For further information in relation to the independent review, please refer to the announcements of the Company dated 31 December 2020, 4 January 2021, 12 January 2021, 14 January 2021, 19 January 2021, 25 January 2021, 29 January 2021, 8 April 2021, 30 April 2021, 26 May 2021, 30 June 2021, 2 August 2021, 30 September 2021, 1 November 2021, 31 December 2021, 4 January 2022, 7 January 2022 and 24 January 2022.

Having said the above, the Board will conduct review on the risk management and internal control systems on an annual basis and when necessary.

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

COMPANY SECRETARY

The Company engages Ms. Leung Hoi Yan, who has been working with Acclime Corporate Services Limited which amalgamated with BPO Global Services Limited, as its company secretary. Its primary corporate contact person at the Company is Mr. Wong Yong Xian, the finance manager of the Company.

SHAREHOLDERS' RIGHTS

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

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

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

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

INVESTOR RELATIONS

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

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

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

Report of the Directors

The Directors present their annual report and the audited consolidated financial statements of the Group for the year ended 30 September 2020.

CORPORATE REORGANISATION

The Company was incorporated with limited liability in the Cayman Islands on 17 September 2018. Pursuant to a reorganisation scheme (the "**Reorganisation**") to rationalise the structure of the Group in preparation for the Listing, the Company became the holding company of the companies now comprising the Group on 18 December 2018. For details of the Reorganisation, please refer to the section headed "History, Development and Reorganisation" of the Prospectus. The Shares of the Company were listed on the Stock Exchange with effect from 19 September 2019.

PRINCIPAL ACTIVITIES

The Company is an investment holding company and the principal activities of its operating subsidiaries are mainly engaged in provision of construction services primarily including (i) civil engineering works e.g. road works, earthworks, drainage works, earth retaining stabilising structures works and soil improvement works; (ii) building construction works mainly for industrial buildings which include substructure works, piling works, addition and alteration works and electrical and mechanical works; and (iii) other ancillary services which include logistics and transportation services of construction materials (collectively referred to as "**Construction services**"), and properties investment business including residential and industrial properties leasing ("**Property investment**"). There were no significant changes to the Group's principal activities during the year ended 30 September 2020.

RESULTS/BUSINESS REVIEW

A review of the business of the Group as well as discussion and analysis of the Group's performance during the year and the material factors underlying its financial performance and financial position can be found in section headed "Management Discussion and Analysis" of this annual report. This discussion forms part of this report of the Directors.

COMPLIANCE WITH LAWS AND REGULATIONS

During the year ended 30 September 2020, as far as the Directors are aware, the Company did not have any non-compliance with relevant laws and regulations that is material or systemic in nature.

ENVIRONMENTAL POLICIES AND PERFORMANCE

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

SHARE CAPITAL

Details of movements in the share capital of the Company during the year are set out in Note 28 to the consolidated financial statements.

RESERVES

Details of movements in the reserves of the Group during the year are set out in the consolidated statement of changes in equity in the consolidated financial statements. Details of movements in the reserves of the Company during the year are set out in Note 31 to the consolidated financial statements.

DISTRIBUTABLE RESERVES

As at 30 September 2020, the Company had distributable reserves of approximately S$13,168,000 (as at 30 September 2019: approximately S$14,155,000) calculated in accordance with the Companies Law (as revised) of the Cayman Islands.

DIVIDEND POLICY

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

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

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

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

DIVIDEND

The Board has resolved not to recommend the declaration of a final dividend for the year ended 30 September 2020.

PRINCIPAL RISKS AND UNCERTAINTIES

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

PRE-EMPTIVE RIGHTS

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

The Company is not aware of any relief from taxation available to the Shareholders by reason of their holding of the Shares. Intending holders and investors of the Company's shares are recommended to consult their professional advisers if they are in any doubt as to the taxation implications (including tax relief) of subscribing for, purchasing, holding, disposing of or dealing in shares. It is emphasised that none of the Company or its Directors or officers will accept any responsibility for any tax effect on, or liabilities of, holders of shares in the Company resulting from their subscription for, purchase, holding, disposal of or dealing in such shares.

EQUITY-LINKED AGREEMENTS

Save for the Share Option Scheme (as defined below) the Company did not enter into any equity-linked agreement during the year or subsisted at the end of the year ended 30 September 2020.

PROPERTY, PLANT AND EQUIPMENT

Details of movements in property, plant and equipment of the Group during the Year are set out in Note 15 to the consolidated financial statements.

SUBSIDIARIES

Details of subsidiaries of the Company are set out in Note 35 to the consolidated financial statements.

CORPORATE GOVERNANCE

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

ANNUAL GENERAL MEETING ("AGM")

The AGM of the Company was held on 26 May 2021, and the ordinary resolution to adjourn receiving, considering and adopting the audited financial statements, the report of the directors and the independent auditor's report of the Company for the year ended 30 September 2020 was approved.

DIRECTORS

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

Executive Directors:
Mr. Poon Soon Huat *(Chairman)*
Mr. Koh Chew Chiang (alias Xu Zhouchang) (formerly known as Faris Koh) *(CEO)*
(appointed with effect from 26 November 2021)
Mr. Teo Teck Thye *(CEO) (resigned with effect from 26 November 2021)*

Independent Non-Executive Directors:
Mr. Chan Kwok Wing Kelvin
Mr. Tam Hon Fai
Mr. Wong Ka Bo Jimmy *(appointed with effect from 22 January 2021)*
Mr. May Tai Keung Nicholas *(resigned with effect from 22 January 2021)*

In accordance with Articles 83–84 of the Articles of Association, Mr. Poon Soon Huat, Mr. Teo Teck Thye and Mr. Wong Ka Bo Jimmy had retired by rotation and been re-elected as Directors at the AGM of the Company.

The Company received annual confirmation of independence from each of the INEDs who holds office as an INED during the Year as required under Rule 3.13 of the Listing Rules. The Company considered all INEDs to be independent.

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

DIRECTORS' SERVICE CONTRACT

Each of the executive Directors, Mr. Poon Soon Huat and Mr. Teo Teck Thye (who resigned on 26 November 2021), entered into a service agreement with the Company for an initial term of three years commencing from 19 September 2019 and renewable automatically for successive terms of three years each commencing from the day next after the expiry of the current term of his appointment, unless and until terminated in accordance with the service agreement, or by either party giving to the other not less than three months' prior notice in writing.

The executive Director, Mr. Koh Chew Chiang (alias Xu Zhouchang) (formerly known as Faris Koh) (who was appointed on 26 November 2021), entered into a service agreement with the Company for a term of three years commencing from 26 November 2021 and renewable automatically by three years on the expiry of the initial term and every successive period of three years, unless terminated in accordance with the service agreement, or by either party giving to the other not less than three months' notice in writing.

Each of the INEDs, Mr. Chan Kwok Wing Kelvin, Mr. Tam Hon Fai and Mr. May Tai Keung Nicholas (who resigned on 22 January 2021), entered into a letter of appointment with the Company for a fixed term of three years commencing from 23 August 2019. The INED, Mr. Wong Ka Bo Jimmy (who was appointed on 22 January 2021), entered into a letter of appointment with the Company for a term of three years commencing from 22 January 2021. All INEDs are subject to retirement by rotation and re-election in accordance with the Articles of Association.

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

PERMITTED INDEMNITY PROVISION

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

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

As at 30 September 2020, the interests and short positions of the Directors and chief executives of the Company in the shares, underlying shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance of Hong Kong (the "**SFO**")) which were notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they are taken or deemed to have under such provisions of the SFO) or which were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein or which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code as set out in Appendix 10 of the Listing Rules were as follows:

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

Name of Director	Nature of interest	Number of Shares held	Percentage of issued share capital
Mr. Poon Soon Huat ("**Mr. Poon**") *(Note)*	Interest in controlled corporation	360,000,000	75%
Mr. Teo Teck Thye ("**Mr. Teo**") *(Note)*	Interest in controlled corporation	360,000,000	75%

*Note: 360,000,000 Shares are held by HG TEC Holdings Limited ("**HG TEC**") which is beneficially owned as to 50% by Mr. Poon and as to 50% by Mr. Teo. Mr. Poon, Mr. Teo and HG TEC are regarded as a group of controlling shareholders of the Company under the Listing Rules acting in concert to exercise their voting rights in the Company and they together will be interested in a total of 75% of the issued share capital of the Company. Mr. Poon and Mr. Teo are deemed to be interested in the Shares held by HG TEC pursuant to the SFO.*

(b) Long positions in the shares of associated corporations

Name of Director	Name of associated corporation	Nature of interest	Number of shares held	Percentage of interest in associated corporation
Mr. Poon *(Note)*	HG TEC	Beneficial owner	1	50%
Mr. Teo *(Note)*	HG TEC	Beneficial owner	1	50%

Note: The Company is owned as to 75% by HG TEC. HG TEC is beneficially owned as to 50% by Mr. Poon and as to 50% by Mr. Teo.

Save as disclosed above, as at 30 September 2020, none of the Directors or chief executives of the Company had any interests or short positions in any shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they are taken or deemed to have under such provisions of the SFO), or which were required, pursuant to Section 352 of the SFO, to be entered in register referred to therein, or which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code of the Listing Rules.

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

As at 30 September 2020, the following persons had interests or short positions in the shares and underlying shares of the Company which were notified to the Company and the Stock Exchange pursuant to Divisions 2 and 3 of Part XV of the SFO and entered in the register maintained by the Company pursuant to Section 336 of the SFO were as follows:

Long positions in the Shares

Name of shareholder	Nature of interest	Number of Shares held	Percentage of issued share capital
HG TEC *(Note 1)*	Beneficial owner	360,000,000	75%
Mr. Poon *(Note 1)*	Interest in controlled corporation	360,000,000	75%
Mr. Teo *(Note 1)*	Interest in controlled corporation	360,000,000	75%
Ms. Yeo Siew Lan *(Note 2)*	Interest of spouse	360,000,000	75%
Ms. Ng Kwee Bee *(Note 3)*	Interest of spouse	360,000,000	75%

Notes:

1. *HG TEC is beneficially owned as to 50% by Mr. Poon and as to 50% by Mr. Teo. Mr. Poon, Mr. Teo and HG TEC are regarded as a group of controlling shareholders of the Company under the Listing Rules acting in concert to exercise their voting rights in the Company and they together will be interested in a total of 75% of the issued share capital of the Company. Mr. Poon and Mr. Teo are deemed to be interested in the Shares held by HG TEC pursuant to the SFO.*

2. *Ms. Yeo Siew Lan is the spouse of Mr. Poon and accordingly, is deemed to be interested in all the Shares in which Mr. Poon is interested under the SFO.*

3. *Ms. Ng Kwee Bee is the spouse of Mr. Teo and accordingly, is deemed to be interested in all the Shares in which Mr. Teo is interested under the SFO.*

Save as disclosed above, as at 30 September 2020, the Company had not been notified by any persons who had interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register maintained by the Company pursuant to Section 336 of the SFO.

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

During the Year, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

SHARE OPTION SCHEME

The principal terms of the share option scheme conditionally adopted under the written resolutions of the sole Shareholder passed on 23 August 2019 (the "**Share Option Scheme**") are set out below:

(1) *Purpose*

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

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

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

(2) *Determination of Eligibility*

"Participants" refer to:

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

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

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

(d) any substantial shareholder of the Group; and

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

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

(3) *Total Number of Shares Available for Issue*

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

(4) Maximum Entitlement of Each Eligible Person

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

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

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

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

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

(5) Option Period

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

(6) Minimum Vesting Period

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

(7) Payment on Acceptance of the Option

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

(8) Basis of Determining the Exercise Price

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

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

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

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

(9) Remaining Life

Subject to any prior termination by the Company in a general meeting or by the Board, the Share Option Scheme shall be valid and effective for a period of ten years commencing on the date of adoption of the Share Option Scheme, after which period no further options shall be granted. All options granted and accepted and remaining unexercised immediately prior to the expiry of the Share Option Scheme shall continue to be valid and exercisable in accordance with the terms of the Share Option Scheme. Since the adoption of the Share Option Scheme, no option has been granted under the Share Option Scheme. Therefore, no option was exercised or cancelled or has lapsed during the year ended 30 September 2020 and there was no outstanding option as at 30 September 2020.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

At no time during the financial year and up to the date of this report was the Company or any of its subsidiaries a party to any arrangement to enable the Directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any body corporate.

COMPLIANCE ADVISER'S INTERESTS

As notified by the Company's compliance adviser, Grande Capital Limited (the "**Compliance Adviser**") as at 30 September 2020, except for the compliance adviser agreement entered into between the Company and the Compliance Adviser dated 10 December 2018, the Compliance Adviser nor its directors, employees or close associates had any interests in relation to the Company, which is required to be notified to the Company pursuant to the Listing Rules.

COMPETING INTERESTS

The Directors confirm that neither the controlling shareholders of the Company nor their respective close associates is interested in a business apart from the Group's business which competes or is likely to compete, directly or indirectly, with the Group's business during the year ended 30 September 2020, and is required to be disclosed pursuant to Rule 8.10 of the Listing Rules.

DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS AND CONTRACTS OF SIGNIFICANCE

Save for the continuous connected transactions as disclosed in this report, no transactions, arrangements and contract of significance, to which the Company's holding company, fellow subsidiaries or subsidiaries was a party and in which a director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the Year.

MANAGEMENT CONTRACT

No contract concerning the management and administration of the whole or any substantial part of the business of the Company was entered into or existed during the Year, other than service contracts with the Directors and other persons engaged in the full-time employment of the Company.

CONNECTED AND RELATED PARTY TRANSACTIONS

Related party transactions entered into by the Group during the Year, are disclosed in Note 34 to the consolidated financial statements. During the Year, the Group did not enter into any connected transactions that are disclosable under Chapter 14A of the Listing Rules. Upon Listing, certain related party transactions set out in Note 34 to the consolidated financial statements are regarded as continuing connected transactions of the Company under Chapter 14A of the Listing Rules. Details of such transactions are set out in the section headed "Connected Transactions" in the Prospectus. However, as disclosed in the Prospectus, such continuing connected transactions as from the Listing Date are fully exempt from the connected transaction requirements of Chapter 14A of the Listing Rules.

RETIREMENT SCHEME

The Group participates in the Central Provident Fund, which is a comprehensive social security system that enables working Singapore citizens and permanent residents to set aside funds for retirement. Save as the aforesaid, the Group did not participate in any other pension schemes during the year ended 30 September 2020.

EMOLUMENTS OF THE DIRECTORS AND THE FIVE HIGHEST PAID INDIVIDUALS

Details of the emoluments of the Directors and the five highest paid individuals of the Group during the years ended 30 September 2020 and 30 September 2019 are set out in Note 12 to the consolidated financial statements.

MAJOR CUSTOMERS AND SUPPLIERS

For the year ended 30 September 2020, the aggregate purchases attributable to the Group's largest supplier and the five largest suppliers (including the subcontractors) in aggregate accounted for approximately 14.8% and 46.2% (year ended 30 September 2019: approximately 19.1% and 47.1%) respectively of the Group's total purchases. For the year ended 30 September 2020, revenue attributable to the Group's largest customer and the five largest customers in aggregate accounted for approximately 31.6% and 65.6% (year ended 30 September 2019: approximately 45.4% and 63.1%) respectively of the Group's total revenue. To the best of the Directors' knowledge, none of the Directors and none of the Shareholders (which, to the best knowledge of the Directors, owns more than 5% of the Company's issued share capital) and none of their respective close associates had any material beneficial interest in the Group's five largest customers or suppliers during the years.

RELATIONSHIP WITH CUSTOMERS, SUPPLIERS AND EMPLOYEES

Customers

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

Suppliers and subcontractors

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

Employees

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

SUFFICIENCY OF PUBLIC FLOAT

Based on information that is publicly available to the Company and within the knowledge of the Directors, at least 25% of the Company's total issued share capital was held by the public as at the date of this report.

AUDIT COMMITTEE

The Audit Committee of the Company has reviewed, together with the management and external auditor, the accounting principles and policies adopted by the Group and the consolidated financial statements.

CHANGE OF AUDITOR

With reference to the announcement of the Company dated 30 April 2021, Deloitte resigned as the auditor of the Company with effect from 30 April 2021 and HLB was appointed as the new auditor of the Company to fill the vacancy arising from the resignation of Deloitte with effective from 30 April 2021.

AUDITOR

The consolidated financial statements for the year ended 30 September 2020 are audited by HLB, who was re-appointed at the last AGM of the Company held on 26 May 2021.

EVENTS AFTER 30 SEPTEMBER 2020

Save as disclosed in Note 40 to the consolidated financial statements, there is no material subsequent event undertaken by the Group after 30 September 2020 and up to the date of this annual report.

On behalf of the Board
Mr. Poon Soon Huat
Chairman and Executive Director
24 January 2022

ABOUT THIS REPORT

The Company is pleased to present the Environmental, Social and Governance Report (the "**ESG Report**") of the Group for the year ended 30 September 2020 to summarise the Group's policies, measures and performance on key environmental, social and governance ("**ESG**") issues.

Reporting Scope

The ESG Report discloses related policies and initiatives for the core and material businesses namely (i) civil engineering works; (ii) building construction works; and (iii) other ancillary services which include logistics and transportation services of construction materials for the period from 01 October 2019 to 30 September 2020 (the "**Reporting Period**"). The Group's property investment business primarily includes residential and industrial properties leasing.

The ESG Report discloses key performance indicators ("**KPIs**") of the corporate office ("**office**") and our construction projects[1]. The KPI data is gathered and reported for all subsidiaries under the Group's direct operational control, which includes, but not limited to, Sing Tec Development Pte. Ltd., Sing Tec Construction Pte. Ltd. and Initial Resources Pte. Ltd.

Reporting Basis and Principles

The ESG Report and all disclosure of KPI data are prepared in accordance with the ESG Reporting Guide (the "**ESG Reporting Guide**") as set out in Appendix 27 to the Listing Rules. There is no change in the collection and computation of data presented in this report as compared to the ESG Report for the previous financial period.

Review and Approval

The Board acknowledges its responsibilities for ensuring the integrity of the ESG Report and to the best of their knowledge, this report addresses all relevant material issues and fairly presents the ESG performance of the Group. The Board confirms that it has reviewed and approved the ESG Report on 31 December 2020.

Feedback

The Group respects all stakeholders' views on the ESG Report. Should you have any opinions or suggestions, you are welcome to share with the Group at info@singtec.com.sg.

Note:

[1] *During the Reporting Period, there are approximately 50 projects that commenced or are ongoing. All ESG KPIs and data disclosed in this ESG Report are for all construction projects commenced or ongoing during the Reporting Period, unless otherwise stated.*

BOARD STATEMENT

It has been a challenging year for the business as we navigate through a plethora of challenges brought about by the COVID-19 outbreak. Ensuring the sustainable growth of the business is ever more important today.

To progress towards and achieve the highest standards in all aspects of our business activities, the Group has established a Group Sustainability Committee to oversee and report on ESG issues that are relevant to the Group. Our Board sets the tone for all sustainability efforts, supported by our Sustainability Committee to ensure successful implementation of our sustainability initiatives.

We recognise that our human capital is the key driver of the Group's progress. This year, in view of the COVID-19 pandemic, we have placed an even stronger emphasis in ensuring the health and safety of our employees by implementing a series of safe workplace measures and worked closely with dormitory service providers to ensure the well-being of all our workers and employees. We are pleased to see the remarkable efforts of our management in providing a safe work environment for employees during this trying period.

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

Due to the lockdown and slowdown in cash flow during the Reporting Period, the Group has adopted prudent financial management measures to tide over the challenges faced. In the upcoming year, we look to contribute more to our community and environment through more community involvement and green initiatives.

As we continue our sustainability journey, performance indicators and targets that are material to our business will be progressively reviewed and added. We seek to strengthen our engagement with stakeholders and improve our sustainability efforts and practices, to forge a long-term sustainable business.

For and on behalf of the Board,

Poon Soon Huat
Chairman and Executive Director

ESG GOVERNANCE

ESG Mission Statement

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

Board's Role and Responsibility

The Board has overall responsibility for the ESG strategy and reporting of the Group. The Board is responsible for evaluating and determining ESG-related risks and oversee Management in ensuring that appropriate and effective ESG risk management and controls are in place. The Board reviews the Group's ESG mission, strategies, control measures and performances annually.

Group Sustainability Committee

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

The duties of the Committee include:

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

- To review and report to the Board on:

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

    ii. The standards set and the performance of the group in ESG matters, relative to comparable utilities or other benchmarked companies;

    iii. Sustainability risks and opportunities.

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

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

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

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

STAKEHOLDER ENGAGEMENT

The Group recognises the importance of stakeholder engagement as we strive to build strong, lasting relationships with our stakeholders by understanding their expectations and concerns.

The following table summarises the various stakeholder engagement activities and the key concerns of stakeholders.

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

MATERIALITY ASSESSMENT

To keep abreast of material and critical issues, the Group periodically evaluates and benchmarks its business operations against the changing business landscape, emerging global trends, stakeholders' opinions and regulatory developments.

The opinions and feedbacks were gathered from the various stakeholders from the abovementioned engagement channels in the previous section. The materiality assessment is outlined below:

Stage 1: Identification
ESG factors and issues are identified through the feedbacks provided from all stakeholders through the various communication channels. Additionally, benchmarking was made to disclosures of suitable peer companies of the Group from the construction industry to pinpoint material ESG issues.

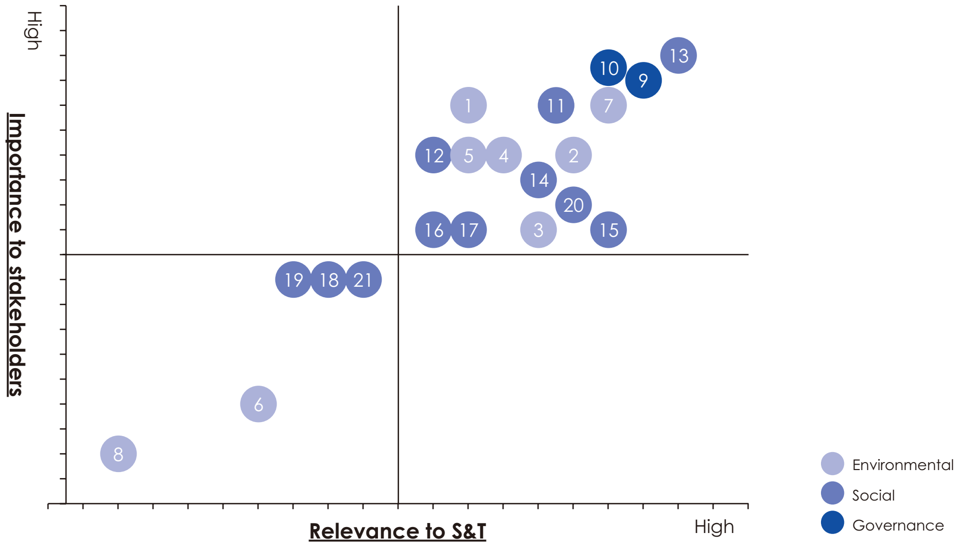
Stage 2: Prioritisation
The Committee, key management personnel and employees responsible for each identified ESG aspects review and discuss the Group's operations, assessing their relevance to our businesses and stakeholders.

The identified ESG issues are then ranked and scored by the Committee in the materiality matrix based on consideration of their impact on our business financials and operations, environment, customers and community.

Stage 3: Validation
Findings from the first two stages are presented to the Board, which subsequently confirms a list of key material ESG issues, the respective aspects and KPIs based on the ESG Reporting Guide for disclosure.

MATERIALITY MATRIX

A total of 21 ESG issues were identified through the materiality assessment as follows.



Legends

Environmental

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

Governance

9 Anti-corruption
10 Business Conduct and Ethics

Social

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

1 OUR ENVIRONMENT

The Group is committed to optimising the usage of natural resources and minimising environmental impact that arises from our construction and business activities. We see it as our responsibility to educate our stakeholders and take on measures to reduce undesirable impacts on the environment and pollution.

1.1 Environmental Compliance

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

- Building Control (Environmental Sustainability) Regulations
- Building Control Act (Chapter 29)
- Environmental Protection and Management Act (Chapter 94A)
- Environmental Public Health Act (Chapter 95)
- Sewerage and Drainage Act (Chapter 294)
- Prevention of Pollution of the Sea Act (Chapter 243)
- Energy Conservation Act (Chapter 92C)

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

1.2 Environmental Management Policies and Strategies

The Group has implemented the Environmental Management Policy, which commits to, among other things, periodically reviewing the Group's environmental management system and continuously improving through the Environmental Improvement Programme ("**EIP**").

Our environmental management system has also been independently certified against ISO 14001:2015. The environmental management system includes measures and work procedures governing environmental protection compliance that our employees, suppliers and subcontractors are obliged to follow.

1.3 Emissions

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

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

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

Emission Type	Key Control Measures
Scope 1 – Direct GHG Emissions	• Purchase motor vehicles of EURO 6 Emission Standard. • Plan transportation routes to optimise fuel consumption. • Switch off the engine whenever the vehicle is idling. • Examine and obtain certification for the vehicles per Section 90 of Road Traffic Act. • Perform regular vehicle maintenance to ensure optimal engine performance and fuel usage.
Scope 2 – Indirect GHG Emissions	• Improving employees' awareness in reduction of electricity consumption at offices. Refer to "Energy Use and Efficiency" for measures implemented.

The Group actively tracks all emissions generated from our business activities and have established KPI targets for each source of emission.

Gas Emissions	Unit	Amount
Nitrogen oxides ("**NOx**")	Tonnes	3.787
Sulphur oxides ("**SOx**")	Tonnes	0.021
Particulate matter ("**PM**")	Tonnes	0.275
GHG Emissions[1]	**Unit**	**Amount**
Scope 1 – Direct GHG emissions • Petrol and diesel consumption	tCO_2e[2]	3,483.56
Scope 2 – Indirect GHG emissions • Purchased electricity[3]	tCO_2e	22.87
Total	tCO_2e	3,506.43
Intensity	tCO_2e per million SGD revenue[4]	84.45

Notes:

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

2 *tCO_2e is defined as tonnes of carbon dioxide equivalent.*

3 *Computation are based on purchased electricity consumption for the Corporate Office only and does not include construction projects.*

4 *Million SGD revenue: During the year ended 30 September 2020, the Group recorded a revenue of S$41,523,171. The data is also used for calculating other intensity data.*

Targets

With Gas Emission Intensity and GHG Emission Intensity as at 30 September 2020 of 0.0983 ton per million SGD revenue and 84.45 tCO_2e per million SGD revenue respectively, the Group targets to reduce our emission intensity by 5% over the next 3 years through active monitoring of our emission levels and deployment of more fuel-efficient machineries.

1.4 Waste Management

Non-hazardous Waste Management

The Group recognises that due to the inherent nature of our business, it is inevitable that waste will be generated at our construction sites. We continuously work towards managing and minimising waste generated from our business activities.

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

At the office, a number of green measures are encouraged, such as double-sided printing or photocopying, printing electronic correspondences only when necessary, recycling one-sided printed paper and avoiding the use of single-use disposable items.

For the Reporting Period, non-hazardous waste generated from our operations are as follow:

Corporate Office:

Waste	Unit	Amount
Paper	Tonnes	0.8
Intensity	Tonnes per million SGD revenue[1]	0.02

Construction sites:

Waste	Unit	Amount
Construction waste	Tonnes	379.5
Intensity	Tonnes per million SGD revenue[1]	9.14

Note:

1 *Million SGD revenue: During the year ended 30 September 2020, the Group recorded a revenue of S$41,523,171. The data is also used for calculating other intensity data.*

Hazardous Waste Management

For the Reporting Period, to the best of our Board's knowledge, the Group was not aware of any material amount of hazardous wastes, according to the list of waste considered as being hazardous under the Schedule of the Environmental Public Health (Toxic Industrial Waste) Regulations 1988 of Singapore, generated from our projects and offices.

The Group hires subcontractors to dispose of construction waste. The disposal and treatment of all wastes comply with strict local regulations.

Targets

With the total waste output generated as at 30 September 2020 of 380.3 ton, the Group targets to reduce all waste outputs by 5% over the next 3 years by creating greater awareness amongst employees and stakeholders, such as subcontractors to adopt environmental friendly practices. Additionally, we target to have zero non-compliance of relevant laws and regulations with regards to waste treatment and disposal.

1.5 Water Use and Efficiency

Water is a scarce resource and we recognise that businesses play an important role in ensuring the sustainability of water resources. Therefore, we have made it our priority to minimise water consumption and manage water quality.

The Group actively tracks water consumption at our offices. Water consumption at construction sites are managed and billed to subcontractors. The Group does not have direct control over water usage at worksites. However, we continue to work closely with our subcontractors to minimise water usage.

To develop the habit of water conservation, notices and posters are pasted at construction sites and the office to remind employees and subcontractors to minimise water wastage. Other actions taken by the Group includes:

- Installation of dual water flush cistern and water saving thimble in sinks.
- Reuse of wastewater at construction sites for water spraying or wheel washing when practicable.
- Ensuring that there are no leaking faucets and reporting for repair as soon as problems are found.

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

Water Consumption	Unit	Amount
Corporate Office	m^3	1,042
Intensity	m^3 per million SGD revenue	25.09

Note:

[1] *Million SGD revenue: During the year ended 30 September 2020, the Group recorded a revenue of S$41,523,171. The data is also used for calculating other intensity data.*

1.6 Wastewater Treatment

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

We are committed to minimising our water consumption whenever possible and reuse wastewater after sedimentation. Wastewater is pumped out to designated collection stations after sedimentation. To comply with the regulatory requirements, wastewater treatment facilities, such as sedimentation tanks or silt traps, are installed to handle general construction wastewater. Total Suspended Solids (TSS) measurements of wastewater discharged are monitored at worksites.

1.7 *Energy Use and Efficiency*

We recognise that investing in energy conservation not only reduces our carbon footprint but also makes business sense in cost savings. Therefore, we are committed in taking measures to minimise our overall energy consumption and improve energy efficiency to reduce the environmental impact of our operations.

In the conduct of our business, the main areas of electricity usage are predominantly across our offices and construction operations. We have adopted the following measures to reduce our energy consumption:

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

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

Type of Energy	Unit	Amount
Diesel	kWh	14,013,425
Petrol	kWh	161,458
Electricity[2]	kWh	55,980
Total	kWh	14,230,863
Intensity	kWh per million SGD revenue	342,721

Notes:

[1] *Million SGD revenue: During the year ended 30 September 2020, the Group recorded a revenue of S$41,523,171. The data is also used for calculating other intensity data.*

[2] *Electricity figures disclosed are for Corporate Office consumption and does not include construction projects.*

Targets

With the Water Intensity and Energy Intensity as at 30 September 2020 of 25.09 m^3 per million SGD revenue and 342,721 kWh per million SGD revenue respectively, the Group targets to reduce all our water and energy intensity by 5% over the next 3 years through active monitoring of our consumption levels and deployment of more energy and water saving equipment. We also seek to create greater awareness amongst employees and stakeholders, such as subcontractors to improve resource usage efficiency.

1.8 Use of Raw Material and Packaging

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

However, the Group recognises the importance of reducing wastage of raw material used in our daily operations. The following measures are adopted as part of our Green and Gracious policy to minimise material wastage:

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

1.9 Impact on Environment and Natural Resources

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

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

1.10 Climate Change

The Group's operations are primarily located in Singapore and due to the geographical location and maritime exposure of the country, Singapore's climate is characterised by uniform temperature and pressure. For the Reporting Period, to the best of our Board's knowledge, the Group was not affected materially by any climate-related issues.

2 OUR PEOPLE

The Group strives to create a conducive work environment, and is committed to fairness and equality for all our employees. We value our employees as the key asset of the Group and believe that staff's development is essential to the organisation growth.

2.1 Employment Policies and Practices

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

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

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

2.2 Employment Management

Recruitment and dismissal

We strive to provide a platform with equal opportunities for all our employees as we value the experience and knowledge of our senior staff as well as the passion and adaptability of the younger staff.

To build a healthy talent pipeline in preparing for the Group's continuous business expansion, we emphasise the importance for our new hires to be selected through robust, fair and transparent recruitment process, based on their merits and their potential.

We also believe that unreasonable dismissal under any circumstances is unacceptable and is prohibited at the Group. The causes of dismissal are included but not limiting to, in our employee handbook which stipulated detail list of major offences which we regard as legitimate reason for dismissal.

Promotion

An annual performance appraisal is performed by the Group to create opportunity for staff's performance to be reviewed by management. Salary review and promotion opportunities are determined upon reviewing of employees' performance throughout their period of service with the Group.

Equal opportunity, diversity and anti-discrimination

We aim to create a comprehensive and collaborative workplace environment and see great strength in the diversity of workforce, regardless of the gender, age, sexual orientation or religious backgrounds.

In addition, it has always been the Group's priority to provide equal opportunities in all aspects of employment and protect our employees from discrimination, physical or verbal harassment based on race, religion, colour, gender, physical or mental disability, age, place of origin, marital status, and sexual orientation.

Complaints, grievances and concerns raised by our employees are promptly responded to as we value all feedbacks received. We also emphasise on the practice on having zero tolerance toward any form of sexual harassment or abuse in our workplace.

All our employees are based in Singapore. Our employment profile is as follows:

Workforce as at 30 September 2020	**No. of headcount**	**Percentage of total headcount**
By Gender		
Male	213	93%
Female	15	7%
By Age Group		
18–30 years old	80	35%
31–50 years old	125	55%
Over 50 years old	23	10%
By Employment Type		
Full-time	228	100%
Part-time[1]	–	–

Note:

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

2.3 Employee Retention

Remuneration and compensation

Our remuneration packages consist of variable bonuses, medical reimbursement, different kinds of leave entitlements such as annual leave, maternity leave, childcare leave, adoption leave, compassionate leave, etc., which are determined by the employee's skill, qualifications and performance.

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

Rest period and working hours

Our employee handbook has been established which sets out the working hours and rest periods for employees, in accordance with local employment laws.

Staff benefits and welfare activities

We believe that provision of attractive benefits and care for our employees will motivate them to deliver quality service and work performance. A motivated workforce will further convey a positive and impactful message to our key stakeholders, thus promote a culture of trust and excellence within the Group.

The following benefits are made available for our employees:

- Sponsorship for Continuous Learning for employees that are pursuing a course related to their job scope or the Group's objectives.
- Medical benefits.
- Long service award given to employees who have contributed positively to the company's growth and success over the years.
- Reimbursement for telecommunication expenses.
- Interest-free loans extended on a case-by-case basis to employees who may be facing financial difficulties.

Moreover, social, recreational and health-conscious awareness activities were held to encourage team bonding, interactions and good health among our employees. The Group hosts various events to enhance staff morale and their well-being. Such events include festive celebrations for employees of different ethnic backgrounds, Company sport day and employee health screening.

Our employee turnover rates are as follows:

Turnover Percentage as at 30 September 2020	Male	Female
By Region		
Hong Kong	–	–
Singapore	10%	29%
By Age Group		
18–30 years old	8%	30%
31–50 years old	11%	30%
Over 50 years old	8%	–

Note:

[1] *Employee turnover is computed based on the number of resigned and terminated employees divided by the average number of employees for each category during the Reporting Period.*

2.4 Health and Safety

Occupational health and safety risks have always been a challenge faced by the Group due to the nature of the construction industry. We are committed to taking proactive steps in ensuring that such risks are reduced or eliminated where possible and to providing employees with a safe and healthy working environment.

We have established an occupational health and safety management system, certified by OHSAS 18001:2007. The system is in place to lessen the occurrence of accidents through safety inspections. Moreover, the health and safety policies have been formalised as guidance to support our occupational health and safety management system that stipulated on the following:

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

All relevant health and safety policies are annually reviewed and updated. The Group is also certified with BizSafe Level Star and SS 506: Part 1: 2009.

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

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

Topics	Key Control Measures
Workplace safety	• All employees working at the work sites are issued with the required Personal Protective Equipment ("**PPE**"). • Risk assessment and safety work procedure are conducted before work commencement to identify potential occupational health and safety hazards associated with the work activities and establish corresponding measures to mitigate the risks. • Regular safety inspections are conducted at our work sites. • Implement colour coding system to identify new workers on site and implement "Buddy" system for new worker to adapt and familiarise the new working environment.
Clean and healthy working environment	• Provide workers with clean and ventilated dormitory rooms. • Provide cleaning tools to encourage hygienic living condition. • Adequate sanitary facilities with dedicated female changing room and washroom. • Provide clean hot and cold water supply. • Transportation services between work sites and dormitory. • Designated area for recreational and fitness purpose. • Established housekeeping regulations at work sites and dormitory to ensure their health and safety are properly maintained and reducing occurrence of potential hazards.
Safety training	• All new employees are expected to attend the safety training on health, safety and environmental policies and procedures. • Mass tool box meetings are conducted at work sites to educate all workers on the relevant health and safety hazards, safety measures and proper use of PPE.
Measures against COVID-19 pandemic	• Daily body temperature checks for all employees prior to entering our work place. • Provision of PPE such as face masks and hand sanitisers. • Placing precaution announcements in staff area and providing training on hygiene and sanitisations. • Safe entry tracking in and out of the work place. • Staggered lunch hour to reduce physical contact. • Foreign workers safely secured and looked after in the dormitory during "Circuit Breaker" period.

For the Reporting Period, the number of reported incidents are as follows:

	2020
Number of reportable accidents	5 cases
Number of fatalities	–
Fatalities rate per 1,000 employees and workers	–
Lost days due to injuries	269 days

Note:

[1] *Lost days due to injuries are derived based on the number of days of medical leave taken for the reported cases from the day of the reported accident.*

We are pleased to disclose that there were no work-related fatalities for the past 3 years for financial years ended 2018 to 2020.

Targets
With zero fatalities and 269 lost days due to injuries as at 30 September 2020, the Group targets to maintain workplace fatality rate at zero and reduce lost days due to injuries by 5% over the next three years through creation of greater awareness of safety measures amongst employees. The Group will also look into implementing more health and safety measures as we progress.

2.5 Staff Training and Development

The Group is committed to providing training and development programmes for our employees as we believe that staff development is critical to business growth and sustainability. Employees equipped with relevant up-to-date skills and knowledge will continue to create value and contribute to our competitiveness in the construction industry.

We support our employees to take up internal and external training courses to uplift their knowledge, familiarise with newly updated guidelines and maintain their competitiveness within the industry. Internal training such as workshops, conferences, and seminars that are related to the employees' work scope are provided to our employees. Furthermore, we provide sponsorship options to employees that apply for external training courses to upgrade their skills and knowledge. Employees who take up company-sponsored training courses are also entitled to study and examination leave, which are subjected to their supervisors' approval.

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

Percentage of Employees Receiving Training	2020
By Gender	
Male	62%
Female	80%
By Employment Category	
Senior management	60%
Middle management	89%
Other employees	60%

Average Training Hours	2020
By Gender	
Male	16.5 hours
Female	7.8 hours
By Employment Category	
Senior management	10.6 hours
Middle management	30.3 hours
Other employees	14.7 hours

Targets
With the average training hours for male and female employees as at 30 September 2020 of 16.5 hours and 7.8 hours respectively, the Group seeks to provide more training opportunities for our employees. We target to increase the average training hours of employees by 5% over the next three years.

2.6 *Labour Standard*

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

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

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

3 OUR SUPPLY CHAIN

The Group aims to promote sustainability in its supply chain and appoint responsible and ethical suppliers. Potential shall undergo a comprehensive process to ensure that quality suppliers are selected based on their price, value, business ethics and compliance with applicable socioeconomic and environmental regulations. We have worked actively with approximately 278 approved suppliers where 100% of the procurement are locally sourced in Singapore.

3.1 Supplier and Subcontractor Selection

Our key suppliers which also include our subcontractors are carefully assessed through the supplier selection process as we take into consideration on criteria such as their business profile, financial solvency, resources, certification, price competitiveness and overall sustainability policies adopted. In addition, "green" evaluation is conducted on new suppliers and subcontractors, to assess whether material and services employed are environmental-friendly. We select suppliers and subcontractors who meet our expectations.

3.2 Supplier and Subcontractor Profile

The Group is dedicated to adequately maintain all supplier and subcontractor profiles in our system to ensure that relevant records are safeguarded and tracked. We have diversified the supply base for critical materials across our approved suppliers to minimise potential disruption.

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

3.3 Supplier and Subcontractor Control and Monitoring

We regularly evaluate our key suppliers' performance to determine whether to extend our partnership with them. The Group's supplier performance is reviewed annually by the purchasers based on six criteria, namely delivery, quality, service, safety, environmental compliance and price. Our subcontractors' performance is evaluated quarterly as well as during the post-mortem assessment by relevant Quantity Surveyors and Project Managers.

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

4 OUR CUSTOMER

The Group places great emphasis on the quality of all our services and safety of our construction projects.

4.1 Project and Service Quality

To maintain consistent quality and safety of services for customers, the Group has established a formal quality management system which is accredited and continuously reviewed according to ISO 9001:2015.

Our project managers are responsible for the monitoring of the overall progress and quality of works undertaken by us and our subcontractors. Regular management meetings are conducted to discuss quality issues and remedy defects identified.

Internal quality inspection and supervision of material or work method is conducted by Resident Engineer and Resident Technical Officer before submission of progress claim to clients to ensure compliance with customer's specifications and requirements.

In addition, customers are involved in the certification of work performed. We conduct customer satisfaction surveys and project post-mortem review to identify areas of improvement for future projects.

4.2 Complaint Management

The Group welcomes all feedbacks from customers as it is necessary to improving our service. Procedures for handling feedbacks are established. Feedbacks are recorded in detail and appropriate follow-up actions are taken promptly.

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

4.3 Intellectual Property, Marketing and Labelling

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

The Group's business does not involve research and development, product packaging and labelling activities. Additionally, the Group also does not engage actively in marketing and advertising. Advertising are predominantly for the purpose of staff recruitment and project tender.

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

4.4 *Customer Privacy and Corporate Information Protection*

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

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

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

5 BUSINESS ETHICS

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

5.1 *Anti-Corruption Policies and Practices*

We strive to inculcate a strong corporate culture within our Group and have zero tolerance towards corruption and fraud. Our commitment and values are guided by our code of conduct for directors and employees and other policies and procedures.

Directors and employees are required to acknowledge the Code of Conduct of Directors and Employees to not engage in corrupted practices. No anti-corruption training has been provided for directors and employees in the Reporting Period. But the Group will be looking into providing such training for directors and employees in the upcoming year.

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

5.2 *Code of Conduct*

The Code of Conduct is made available to all employees and Directors during their orientation. Additionally, the employee handbook, which is made available to all employees and Directors, covers penalties for misconduct and fraud, and guides all employees in their everyday conduct.

In the Code of Conduct of Directors, a conflict of interest policy is established, detailing the disclosure procedures should any material personal interest be present in a proposed transaction involving the Group and the relevant director. All employees are required to make a declaration to the Group annually or in the event of conflicted interests in accordance with our policy.

In the Code of Conduct of Employees, a section on bribery has been included to remind employees that receiving gifts in any form that are intended to influence a business decision are unacceptable. A list of misconduct examples is included, in particular, 'soliciting or collecting contributions for any purpose at any time in the Group without the permission of Supervisor' is explicitly specified.

During the Reporting Period, there was no legal case regarding corrupt practices brought against the Group or the employees.

5.3 Whistleblowing Policies

We have a whistleblowing policy and channels to allow employees to report concerns over any unlawful conduct, financial malpractice and/or other wrong-doings. Through our independent whistleblowing channels, including the direct contacts of the Group's Chairman and Audit Committee, employees are able to report any suspected misconducts. The Group has appointed the General Manager to handle all the whistleblowing reports. All disclosures will be treated in a confidential manner, protecting the identity of the employee that made the disclosure so as to encourage employees to report any suspicious activities without fear of reprisal.

The Senior management, Chairman of the Audit Committee or the Board Chairman may appoint an investigating officer to follow up on the whistle-blowing report. If necessary, disclosures will be made to relevant regulatory bodies, subjected to the Group's and Board's discretion.

6 OUR SOCIETY

As a socially responsible business in providing construction services in infrastructure projects and part of a larger community, we believe that we have a responsibility to do our part for the betterment of the community. Apart from job creation, through donations and sponsorships, we seek to empower the less fortunate and elderly, which are the target beneficiaries of our infrastructure projects.

6.1 Community Investments

During the Reporting Period, the Group has made several donations to welfare organisations, such as St. Andrew Nursing Home and Yu Lin Association. The Group has also made temple donation contributions to Kim Chuan Whuap Tuah Temple and Long Xian Shan Gong Temple. A total donation of S$37,639 was made over the year ended 30 September 2020.

CONTENT INDEX

The ESG Report is prepared in accordance with the ESG Reporting Guide as set out in Appendix 27 to the Rules Governing the Listing of Securities.

Disclosure Reference	Description	Section/Declaration
Part B of Appendix 27: Mandatory Disclosure Requirements		
Governance Structure	• A statement from the board containing the following elements: (i) a disclosure of the board's oversight of ESG issues; (ii) the board's ESG management approach and strategy, including the process used to evaluate, prioritise and manage material ESG-related issues (including risks to the issuer's businesses); and (iii) how the board reviews progress made against ESG-related goals and targets with an explanation of how they relate to the issuer's businesses.	• Board Statement
Reporting Principles	• A description of, or an explanation on, the application of the following Reporting Principles in the preparation of the ESG Report: (i) Materiality (ii) Quantitative (iii) Consistency	• About This Report • Materiality Assessment
Reporting Boundary	• A narrative explaining the reporting boundaries of the ESG Report and describing the process used to identify which entities or operations are included in the ESG Report. • If there is a change in the scope, the issuer should explain the difference and reason for the change.	• About This Report

Disclosure Reference	Description	Section/Declaration
Part C of Appendix 27: "Comply or explain" Provisions		
Aspect A1: Emissions	• General Disclosure • Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	• 1.1: Environmental Compliance • 1.2: Environmental Management Policies and Strategies
KPI A1.1	The types of emissions and respective emissions data.	• 1.3: Emissions
KPI A1.2	Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	• 1.3: Emissions
KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	• 1.4: Waste Management
KPI A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility). Intensity (e.g. per unit of production volume, per facility).	• 1.4: Waste Management
KPI A1.5	Description of emissions target(s) set and steps taken to achieve them.	• 1.3: Emissions
KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	• 1.4: Waste Management

Disclosure Reference	Description	Section/Declaration
Aspect A2: Use of Resources	• General Disclosure • Policies on the efficient use of resources, including energy, water and other raw materials.	• 1.1: Environmental Compliance • 1.2: Environmental Management Policies and Strategies
KPI A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).	• 1.7: Energy Use and Efficiency
KPI A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	• 1.5: Water Use and Efficiency
KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	• 1.7: Energy Use and Efficiency
KPI A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	• 1.5: Water Use and Efficiency
KPI A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	• 1.8: Use of Raw Material and Packaging
Aspect A3: The Environment and Natural Resources	• General Disclosure • Policies on minimising the issuer's significant impacts on the environment and natural resources.	• 1.9: Impact on Environment and Natural Resources
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	• 1.9: Impact on Environment and Natural Resources
Aspect A4: Climate Change	• General Disclosure • Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	• 1.10: Climate Change

Disclosure Reference	Description	Section/Declaration
KPI A4.1	Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them.	• 1.10: Climate Change
Aspect B1: Employment	• General Disclosure • Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	• 2.1: Employment Policies and Practices • 2.2: Employment Management • 2.3: Employee Retention
KPI B1.1	Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region.	• 2.2: Employment Management
KPI B1.2	Employee turnover rate by gender, age group and geographical region.	• 2.3: Employee Retention
Aspect B2: Health and Safety	• General Disclosure • Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	• 2.4: Health and Safety
KPI B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	• 2.4: Health and Safety
KPI B2.2	Lost days due to work injury	• 2.4: Health and Safety
KPI B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	• 2.4: Health and Safety

Disclosure Reference	Description	Section/Declaration
Aspect B3: Development and Training	• General Disclosure • Policies on improving employees' knowledge and skills for discharging duties at work. • Description of training activities.	• 2.1: Employment Policies and Practices • 2.5: Staff Training and Development
KPI B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	• 2.5: Staff Training and Development
KPI B3.2	The average training hours completed per employee by gender and employee category.	• 2.5: Staff Training and Development
Aspect B4: Labour Standards	• General Disclosure • Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.	• 2.1: Employment Policies and Practices • 2.6: Labour Standard
KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.	• 2.6: Labour Standard
KPI B4.2	Description of steps taken to eliminate such practices when discovered.	• 2.6: Labour Standard
Aspect B5: Supply Chain Management	• General Disclosure • Policies on managing environmental and social risks of the supply chain.	• 3: Our Supply Chain
KPI B5.1	Number of suppliers by geographical region.	• 3: Our Supply Chain
KPI B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.	• 3: Our Supply Chain
KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	• 3.1: Supplier and Subcontractor Selection • 3.3: Supplier and Subcontractor Control and Monitoring

Disclosure Reference	Description	Section/Declaration
KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	• 3.1: Supplier and Subcontractor Selection • 3.3: Supplier and Subcontractor Control and Monitoring
Aspect B6: Product Responsibility	• General Disclosure • Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	• 4: Our Customer
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	• Not applicable
KPI B6.2	Number of products and service-related complaints received and how they are dealt with.	• 4.2: Complaint Management
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	• 4.3: Intellectual Property, Marketing and Labelling
KPI B6.4	Description of quality assurance process and recall procedures.	• 4.1: Project and Service Quality
KPI B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	• 4.4: Customer Privacy and Corporate Information Protection
Aspect B7: Anticorruption	• General Disclosure • Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	• 5: Business Ethics

Disclosure Reference	Description	Section/Declaration
KPI B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the Reporting Period and the outcomes of the cases.	• 5.1: Anti-Corruption Policies and Practices
KPI B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	• 5.3: Whistleblowing Policies
KPI B7.3	Description of anti-corruption training provided to directors and staff.	• 5.1: Anti-Corruption Policies and Practices
Aspect B8: Community Investment	• General Disclosure • Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	• 6.1: Community Investments
KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	• 6.1: Community Investments
KPI B8.2	Resources contributed (e.g. money or time) to the focus area.	• 6.1: Community Investments

Independent Auditors' Report

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

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

TO THE SHAREHOLDERS OF S&T HOLDINGS LIMITED
(Incorporated in Cayman Islands with limited liability)

OPINION

We have audited the consolidated financial statements of S&T Holdings Limited (the "**Company**") and its subsidiaries (collectively referred to as the "**Group**") set out on pages 75 to 164, which comprise the consolidated statement of financial position as at 30 September 2020, and the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 30 September 2020, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards ("**IFRSs**") issued by the International Accounting Standards Board ("**IASB**") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

BASIS FOR OPINION

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

KEY AUDIT MATTERS

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

KEY AUDIT MATTERS *(continued)*

Key audit matter	How our audit addressed the key audit matter
Recognition and accounting for revenue from contracts works *Refer to Notes 4, 5 and 6 to the consolidated financial statements* We identified the revenue recognition as a key audit matter due to significant management judgment and estimation is required in the determination of the total outcome of the contracts works. As set out in Note 6, the Group's contract revenue from construction services amounted to approximately S$41,102,421 for the year ended 30 September 2020 as disclosed in the consolidated statement of profit or loss and other comprehensive income (2019 (restated): approximately S$86,579,007). As disclosed in Note 22 to the consolidated financial statements, the carrying amount of contract assets of the Group amounted to approximately S$19,726,036 as at 30 September 2020 (2019 (restated): approximately S$26,466,568). The Group is involved, amongst others, in the provision of civil engineering works and building construction works for which input method (i.e. based on actual costs incurred to date as a percentage of total budgeted costs to complete the project) is applied to measure the Group's progress towards satisfaction of a performance obligation and recognises revenue over time in accordance with IFRS 15 Revenue from Contracts with Customers. The revenue and profit recognised in a year on these services is dependent, amongst others, on the assessment of the Group's efforts or inputs to the projects (i.e. contract costs incurred for work performed) relative to the expected inputs to the projects (i.e. estimated total budgeted contract costs committed for the projects). The uncertainty and subjectivity involved in determining the budgeted costs to complete and foreseeable losses may have a significant impact on the revenue and profit of the Group.	Our procedures in relation to the management's revenue recognition and accounting for revenue from contract works included: • Obtaining an understanding of the Group's controls and processes over revenue recognition and budget preparation; • Assessing the Group's revenue recognition including the Group's efforts or inputs to the projects relative to the expected inputs to the construction projects; • Obtaining a complete list of projects from management and sampling selected certain projects for detailed assessment; • Agreeing projects contract sum to signed contracts, and variation orders; • Vouching the actual cost incurred during the year to the details of suppliers' delivery orders and invoices and subcontractors' progress certificates to ensure the validity and accuracy of the costs; • Performing cut-off testing to verify contract costs incurred are taken up in the appropriate financial year;

Key audit matter	How our audit addressed the key audit matter
	• Assessing the estimated cost to complete by substantiating costs that have been committed to quotations and contracts entered; • Performing retrospective review by comparing total actual contract costs incurred at completion against the total budgeted contract costs to assess the reasonableness of the estimates used by the management; • For projects in progress, re-computed the percentage of completion of the contract based on input method to test the accuracy of the percentage of completion to determine the revenue to be recognised for the year; • For projects completed during the year, obtained certificates of completion and verified that the remaining revenue was captured; and • Examining the project documentation and discussing with management on the progress of significant projects to determine if there are any changes such as delays, penalties, overruns which may result in liquidated of significant projects to determine if there are any changes such as delays, penalties, overruns which may result in liquidated damages.

Key audit matter	How our audit addressed the key audit matter
Impairment assessment of trade receivables, other receivables and contract assets *Refer to Notes 4, 5, 20, 21, 22 and 33(b) to the consolidated financial statements* We identified the impairment assessment of trade receivables, other receivables and contract assets as a key audit matter due to the significance of these balances to the consolidated financial statements as a whole, and the use of judgment and estimates by management in assessing the recoverability of trade receivables, other receivables and contract assets. As disclosed in Notes 20, 21 and 22 to the consolidated financial statements, as at 30 September 2020 the carrying amount of trade receivables, other receivables and contract assets of the Group are approximately S$6,707,394 (net of allowance of credit losses of S$448,930), S$6,028,421 (net of allowance of credit losses of S$182,604), and S$19,726,036 (net of allowance of credit losses of S$360,685) respectively. As set out in Note 4 to the consolidated financial statements, the Group performs impairment assessment under ECL model on financial assets (including trade receivables and other receivables) and contract assets which are subject to impairment assessment under IFRS 9. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition. The amount of the impairment loss based on ECL model is measured as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the effective interest rate determined at initial recognition. Where the future cash flows are less than expected, or being revised downward due to changes in facts and circumstances, a material impairment loss may arise. The impairment assessment under ECL on trade receivables, other receivables and contract assets is inherently subjective and requires significant management judgement, which increases the risk of error or potential management bias.	Our procedures in relation to impairment assessment of trade receivables, other receivables and contract assets included: • Understanding the management's process of assessing the recoverability of trade receivables, other receivables and contract assets; • Inquiring of management for the status of each of the material trade receivables, other receivables and contract assets past due at year end and collaborating explanations from management supporting evidences, such as performing public profile search for selected customers understanding on-going business relationship with the customers based on trade records, checking historical and subsequent settlement records of and other correspondence with the customers; • Assessing the reasonableness of impairment recognised by examining the information used by management to form such judgements, such as checking the accuracy of the ageing analysis of trade receivables, other receivables and contract assets to the payment certificates or completion certificates issued by the customers, respectively, on sampling basis; • For individually assessed expected credit losses, assessing the estimated loss rates with reference to the individual customers' historical observed default rates and checking the settlement history and changes in the forward-looking information; • Testing the subsequent settlements of credit impaired trade receivables and contract assets, on a sample basis, to cash receipt and bank remittance; and • Evaluating the disclosures regarding the impairment assessment of trade receivables, other receivables and contract assets in Note 33(b) to the consolidated financial statements.

OTHER INFORMATION

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

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

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

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

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

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

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

AUDITORS’ RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors’ report that includes our opinion. We report our opinion solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

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

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

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

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

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

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

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

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

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

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

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

HLB Hodgson Impey Cheng Limited
Certified Public Accountants

Kwok Tsz Chun
Practising Certificate Number: P06901

Hong Kong, 24 January 2022

Consolidated Statement of Profit or Loss and Other Comprehensive Income

Year ended 30 September 2020

	Note	2020 S$	2019 S$ (Restated)
Revenue			
Services	6	**41,102,421**	86,579,007
Rental	6	**420,750**	512,845
Total revenue		**41,523,171**	87,091,852
Cost of services		**(43,564,989)**	(73,721,841)
Gross (loss)/profit		**(2,041,818)**	13,370,011
Other income	7	**2,624,121**	201,167
Other gains and losses	8	**286,770**	468,027
Administrative expenses		**(5,792,829)**	(6,202,129)
Allowance for expected credit losses on financial assets and contract assets, net		**(915,548)**	(76,672)
Finance costs	9	**(1,261,072)**	(971,067)
Listing expenses		**–**	(3,774,929)
Share of result of a joint venture	18	**(55,929)**	64,526
(Loss)/profit before taxation	10	**(7,156,305)**	3,078,934
Income tax credit/(expense)	11	**68,705**	(1,702,506)
(Loss)/profit for the year, representing total comprehensive (loss)/income for the year		**(7,087,600)**	1,376,428
Basic and diluted (loss)/earnings per share (S cents)	14	**(1.48)**	0.38

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

Consolidated Statement of Financial Position

As at 30 September 2020

	Note	2020 S$	2019 S$ (Restated)
Non-current assets			
Property, plant and equipment	15	**20,367,706**	17,578,067
Investment properties	16	**9,184,000**	9,140,000
Investment properties held under joint operations	17	**6,835,000**	7,020,000
Interest in a joint venture	18	**1,078,821**	1,134,750
Financial assets at fair value through profit or loss	19	**1,241,426**	–
Bank deposits	23	**225,951**	225,383
		38,932,904	35,098,200
Current assets			
Trade receivables	20	**6,707,394**	10,649,571
Other receivables, deposits and prepayments	21	**6,028,421**	1,061,031
Contract assets	22	**19,726,036**	26,466,568
Bank balances and cash	23	**10,093,499**	20,948,951
		42,555,350	59,126,121
Current liabilities			
Trade and other payables	24	**10,652,479**	17,576,704
Contract liabilities	22	**34,885**	3,275
Income tax payable		**59,728**	1,363,894
Bank overdrafts	25	**4,982,890**	6,400,549
Bank borrowings	25	**2,312,556**	5,290,865
Bank borrowings held under joint operations	25	**2,891,707**	3,056,655
Lease liabilities	26	**2,164,883**	–
Obligations under finance leases	26	**–**	857,067
		23,099,128	34,549,009
Net current assets		**19,456,222**	24,577,112
Total assets less current liabilities		**58,389,126**	59,675,312

Consolidated Statement of Financial Position

As at 30 September 2020

	Note	**2020** **S$**	2019 S$ (Restated)
Non-current liabilities			
Bank borrowings	25	**13,230,472**	8,861,155
Bank borrowings held under joint operations	25	**830,113**	948,556
Lease liabilities	26	**2,448,902**	–
Obligations under finance leases	26	**–**	813,174
Deferred tax liabilities	27	**195,812**	281,000
		16,705,299	10,903,885
Net assets		**41,683,827**	48,771,427
Capital and reserves			
Share capital	28	**847,680**	847,680
Reserves		**40,836,147**	47,923,747
		41,683,827	48,771,427

The consolidated financial statements on pages 75 to 164 were approved and authorised for issue by the Board of Directors on 24 January 2022 and are signed on its behalf by:

Poon Soon Huat
Chairman and Executive Director

Koh Chew Chiang
Executive Director and Chief Executive Officer

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

Consolidated Statement of Changes in Equity

Year ended 30 September 2020

	Share capital	Share premium *(Note a)*	Merger reserves *(Note b)*	Other reserves	Properties revaluation reserves *(Note 28)*	Accumulated profits	Total
	S$	S$	S$	S$	S$	S$	S$
At 1 October 2018	6,895,003	–	–	–	767,248	19,033,143	26,695,394
Profit for the year, representing total comprehensive income for the year (Restated)	–	–	–	–	–	1,376,428	1,376,428
Transactions with owners, recognised directly in equity:							
Elimination of share capital pursuant to reorganisation *(Note 2)*	(6,895,003)	–	6,895,003	–	–	–	–
Issue of shares under the Capitalisation issue *(Note 28a)*	636,480	(636,480)	–	–	–	–	–
Issue of shares under the Share Offer *(Note 28b)*	211,200	22,387,200	–	–	–	–	22,598,400
Share issue expenses	–	(3,007,937)	–	–	–	–	(3,007,937)
Dividends waived *(Note 13)*	–	–	–	1,109,142	–	–	1,109,142
Total	(6,047,323)	18,742,783	6,895,003	1,109,142	–	1,376,428	22,076,033
At 30 September 2019 and at 1 October 2019 (Restated)	**847,680**	**18,742,783**	**6,895,003**	**1,109,142**	**767,248**	**20,409,571**	**48,771,427**
Loss for the year, representing total comprehensive loss for the year	**–**	**–**	**–**	**–**	**–**	**(7,087,600)**	**(7,087,600)**
At 30 September 2020	**847,680**	**18,742,783**	**6,895,003**	**1,109,142**	**767,248**	**13,321,971**	**41,683,827**

Notes:

a. Share premium represents the excess of share issue over the par value.

b. Merger reserves represents the difference between the cost of acquisition pursuant to the Reorganisation (Note 2) and the total value of share capital of the entity acquired.

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

Consolidated Statement of Cash Flows

Year ended 30 September 2020

	2020 S$	2019 S$ (Restated)
OPERATING ACTIVITIES		
(Loss)/profit before taxation	**(7,156,305)**	3,078,934
Adjustments for:		
Depreciation of property, plant and equipment	**3,567,237**	2,774,952
Fair value (gains)/losses on investment properties	**(44,000)**	20,000
Fair value losses/(gains) on investment properties held under joint operations	**185,000**	(125,000)
Fair value losses on financial assets at fair value through profit or loss	**285,855**	–
Allowance for expect credit losses on financial assets and contract assets, net	**915,548**	76,672
Written off of payables to suppliers that are liquidated	**–**	(224,987)
Finance costs	**1,261,072**	971,067
Interest income	**(707)**	(1,484)
Unrealised exchange difference	**81,507**	(19,935)
Net gain on disposal of property, plant and equipment	**(651,276)**	(30,254)
Share of result of a joint venture	**55,929**	(64,526)
Operating cash flow before movement in working capital	**(1,500,140)**	6,455,439
Movements in working capital:		
Trade receivables	**3,560,738**	110,514
Other receivables, deposits and prepayments	**(5,149,994)**	1,280,983
Contract assets	**6,389,024**	(1,012,635)
Contract liabilities	**31,610**	(223,971)
Trade and other payables	**(6,863,395)**	(3,701,833)
Cash (used in)/generated from operations	**(3,532,157)**	2,908,497
Income tax paid	**(1,320,649)**	(1,702,881)
Income tax refunded	**–**	214,075
Net cash (used in)/generated from operating activities	**(4,852,806)**	1,419,691
INVESTING ACTIVITIES		
Proceeds from disposal of property, plant and equipment	**766,609**	43,959
Purchase of property, plant and equipment	**(1,545,553)**	(1,004,538)
Purchase of financial assets at fair value through profit or loss	**(1,527,281)**	–
Interest received	**139**	922
Net cash used in investing activities	**(2,306,086)**	(959,657)

Consolidated Statement of Cash Flows

Year ended 30 September 2020

	2020 S$	2019 S$ (Restated)
FINANCING ACTIVITIES		
Proceeds from Share Offer	**–**	22,598,400
Issue costs paid	**–**	(3,007,937)
Dividends paid	**–**	(500,000)
Interest paid	**(1,261,072)**	(971,067)
Repayment of lease liabilities	**(2,043,939)**	–
Repayment of obligations under finance leases	**–**	(1,242,046)
(Repayment of)/drawdown of bank overdrafts	**(1,417,659)**	1,074,996
Repayment of bank borrowings	**(10,031,945)**	(9,670,633)
Proceeds from bank borrowings	**11,139,562**	9,716,409
Advance from directors	**–**	1,510,000
Repayment of advance from directors	**–**	(2,699,045)
Net cash (used in)/generated from financing activities	**(3,615,053)**	16,809,077
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	**(10,773,945)**	17,269,111
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	**20,948,951**	3,659,905
Effect of foreign exchange rate changes on bank balances and cash	**(81,507)**	19,935
CASH AND CASH EQUIVALENTS AT END OF THE YEAR represented by bank balances and cash	**10,093,499**	20,948,951

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

30 September 2020

1 GENERAL

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

The Company is a subsidiary of HG TEC Holdings Limited ("**HG TEC**"), incorporated in the British Virgin Islands (the "**BVI**"), which is also the Company's ultimate holding company. HG TEC is owned by Mr. Poon Soon Huat ("**Mr. Poon**") and Mr. Teo Teck Thye ("**Mr. Teo**"). Upon the entering into the concert party deed, Mr. Poon and Mr. Teo through HG TEC became the controlling shareholders of S&T Holdings Limited and its subsidiaries (the "**Group**") (collectively referred to as the "**Controlling Shareholders**").

The Company is an investment holding company and the principal activities of its operating subsidiaries are disclosed in Note 35.

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

2 GROUP REORGANISATION AND BASIS OF PREPARATION AND PRESENTATION OF THE CONSOLIDATED FINANCIAL STATEMENTS

In the previous year, for the purpose of the initial listing of the shares of the Company on the Stock Exchange, the companies comprising the Group underwent a group reorganisation (the "**Reorganisation**"). Please refer to the Prospectus of the Company dated on 29 August 2019 for details.

The Group resulting from the Reorganisation is regarded as a continuing entity. Accordingly, the consolidated financial statements have been prepared to include the financial statements of the companies now comprising the Group as if the group structure upon the completion of the Reorganisation had been in existence throughout the period, or since their respective dates of incorporation or establishment where this is a shorter period.

3 APPLICATION OF NEW AND AMENDMENTS TO INTERNATIONAL FINANCIAL REPORTING STANDARDS ("IFRSs")

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

The Group has applied the following new and amendments to IFRSs issued by the International Accounting Standards Board ("**IASB**") for the first time in the current year:

IFRS 16	Leases
IFRS 9 (Amendments)	Prepayment Features with Negative Compensation
IFRIC-Int 23	Uncertainty over Income Tax Treatment
IAS 19 (Amendments)	Plan Amendment, Curtailment or Settlement
IAS 28 (Amendments)	Long-term Interests in Associates and Joint Ventures
IFRSs (Amendments)	Annual Improvements to IFRSs 2015–2017 Cycle

Except as described below, the application of the new and amendments to IFRSs in the current year has had no material impact on the Group's financial performance and positions for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

IFRS 16 Leases

The Group has applied IFRS 16 for the first time in the current year. IFRS 16 superseded IAS 17 Leases ("**IAS 17**"), and the related interpretations.

Definition of a lease

The Group has elected the practical expedient to apply IFRS 16 to contracts that were previously identified as leases applying IAS 17 and IFRIC 4 Determining whether an Arrangement contains a Lease and not apply this standard to contracts that were not previously identified as containing a lease. Therefore, the Group has not reassessed contracts which already existed prior to the date of initial application.

For contracts entered into or modified on or after 1 October 2019, the Group applies the definition of a lease in accordance with the requirements set out in IFRS 16 in assessing whether a contract contains a lease.

As a lessor

In accordance with the transitional provisions in IFRS16, the Group is not required to make any adjustment on transition for leases in which the Group is a lessor but account for these leases in accordance with IFRS 16 from the date of initial application and comparative information has not been restated.

3 APPLICATION OF NEW AND AMENDMENTS TO INTERNATIONAL FINANCIAL REPORTING STANDARDS ("IFRSs") *(continued)*

IFRS 16 Leases *(continued)*

As a lessee

The Group has applied IFRS 16 retrospectively with the cumulative effect recognised at the date of initial application, 1 October 2019.

As at 1 October 2019, the Group recognised additional lease liabilities and right-of-use assets at amount equal to the related lease liabilities by applying IFRS 16.C8(b)(ii) transition. Any difference at the date of initial application is recognised in the opening accumulated profit and comparative information has not been restated.

When applying the modified retrospective approach under IFRS 16 at transition, the Group applied the following practical expedients to leases previously classified as operating leases under IAS 17, on lease-by-lease basis, to the extent relevant to the respective lease contracts:

(i) elected not to recognise right-of-use assets and lease liabilities for leases with lease term ending within 12 months of the date of initial application;

(ii) excluded initial direct costs from measuring the right-of-use assets at the date of the initial application;

(iii) applied a single discount rate to a portfolio of leases with a similar remaining terms for similar class of underlying assets in similar economic environment. Specifically, discount rate for certain leases of office premises was determined on a portfolio basis;

(iv) used hindsight based on facts and circumstances as at date of initial application in determining the lease term for the Group's leases with extension and termination options; and

(v) relied on the assessment of whether leases are onerous by applying IAS 37 Provisions, Contingent Liabilities and Contingent Assets as an alternative of impairment review.

When recognising the lease liabilities for leases previously classified as operating leases, the Group has applied incremental borrowing rates of the relevant group entities at the date of initial application. The weighted average incremental borrowing rates applied by the relevant group entities range from 2.3% to 6.5%.

3 APPLICATION OF NEW AND AMENDMENTS TO INTERNATIONAL FINANCIAL REPORTING STANDARDS ("IFRSs") *(continued)*

IFRS 16 Leases *(continued)*

As a lessee (continued)

The following table shows a reconciliation of the operating lease commitment as at 30 September 2019 to the lease liabilities as at 1 October 2019 as follows:

	S$
Operating lease commitment at 30 September 2019	1,867,448
Less: total future interest expenses	(366,333)
Present value of remaining lease payments, discounted using the incremental borrowing rate and lease liabilities recognised as at 1 October 2019	1,501,115
Less: practical expedient – leases with lease term ending within 12 months from the date of initial application	(156,129)
Add: Obligations under finance leases as at 30 September 2019	1,670,241
Lease liabilities as at 1 October 2019	3,015,227
Analysis as:	
Non-current	933,357
Current	2,081,870
	3,015,227

The carrying amount of right-of-use assets for own use as at 1 October 2019 comprises the following:

	S$
Right-of-use assets relating to operating leases recognised upon application of IFRS 16 *(note (a))*	1,344,986
Add: amounts included in property, plant and equipment *(note (b))*	2,819,878
	4,164,864

Notes:

(a) The right-of-use assets in relation to lease previously classified as operating lease have been recognised at an amount equal to the amount recognised for the remaining lease liabilities at 1 October 2019. The Group had applied the exception that not to separate the land element from leasehold properties.

(b) In relation to non-current assets previously held under finance lease, the Group reclassified the carrying amounts of the relevant assets which were still under finance leases as at 1 October 2019 amounted S$2,819,878 as right-of-use assets. In addition, the Group reclassified the obligation under finance lease of S$857,067 and S$813,174 to lease liabilities as current and non-current liabilities respectively at 1 October 2019. The Group does not present right-of-use assets as a separate line item.

3 APPLICATION OF NEW AND AMENDMENTS TO INTERNATIONAL FINANCIAL REPORTING STANDARDS ("IFRSs") *(continued)*

IFRS 16 Leases *(continued)*

As a lessee (continued)

The carrying amounts of right-of-use assets as at 1 October 2019 comprises the following:

	Right-of-use assets S$
Right-of-use assets relating to operating leases recognised upon application of IFRS 16	1,344,986
By class:	
Leasehold land	1,344,986
Plant and machinery	1,710,683
Motor vehicles	1,109,195

The following table summarises the impacts of the adoption of IFRS 16 on the Group's consolidated statement of financial position at 1 October 2019. Line items that were not affected by the changes have not been included.

	Carrying amount previously reported at 30 September 2019 S$	**Reclassification** S$	**Adjustment of leases** S$	**Carrying amount under IFRS 16 at 1 October 2019** S$
Non-current assets				
Property, plant and equipment	17,578,067	–	1,344,986	18,923,053
Current liabilities				
Lease liabilities	–	857,067	76,290	933,357
Obligation under finance leases	857,067	(857,067)	–	–
Non-current liabilities				
Lease liabilities	–	813,174	1,268,696	2,081,870
Obligation under finance leases	813,174	(813,174)	–	–

3 APPLICATION OF NEW AND AMENDMENTS TO INTERNATIONAL FINANCIAL REPORTING STANDARDS ("IFRSs") *(continued)*

New and amended IFRSs in issue that have been issued but not yet effective

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

IFRS 17 and amendments to IFRS 17	Insurance Contracts[1]
IFRS 3 (Amendments)	Reference to the Conceptual Framework[2]
IFRS 10 and IAS 28 (Amendments)	Sale or contribution of Assets between an Investor and its Associate or Joint Venture[3]
IFRS 16 (Amendments)	Covid-19 Related Rent Concessions[4]
IFRS 16 (Amendments)	Covid-19 Related Rent Concessions beyond 30 June 2021[6]
IAS 16 (Amendments)	Property, Plant and Equipment: Proceeds before Intended Use[2]
IAS 37 (Amendments)	Onerous Contracts – Cost of Fulfilling a Contract[2]
IFRS Standards (Amendments)	Annual Improvements to IFRS Standards 2018–2020[2]
IAS 1 (Amendments)	Classification of Liabilities as Current or Non-current[1]
IFRS 9, IAS 39, IFRS 7 (Amendments)	Interest Rate Benchmark Reform – Phase 1[7]
IAS 39, IFRS 4, IFRS 7, IFRS 9 and IFRS 16 (Amendments)	Interest Rate Benchmark Reform – Phase 2[5]
IAS 1 and IAS 8 (Amendments)	Definition of Material[7]
IFRS 3 (Amendments)	Definition of Business[7]
IAS 1 and IFRS Practice Statement 2	Disclosure of Accounting Policies[1]
IAS 8 (Amendments)	Definition of Accounting Estimates[1]
IAS 12 (Amendments)	Deferred Tax related to Assets and Liabilities arising from a Single Transaction[1]

1 *Effective for annual periods beginning on or after 1 January 2023.*
2 *Effective for annual periods beginning on or after 1 January 2022.*
3 *Effective for annual periods beginning on or after a date to be determined.*
4 *Effective for annual periods beginning on or after 1 June 2020.*
5 *Effective for annual periods beginning on or after 1 January 2021.*
6 *Effective for annual periods beginning on or after 1 April 2021.*
7 *Effective for annual periods beginning on or after 1 January 2020.*

In addition to the above new and amendments to IFRSs, a revised Conceptual Framework for Financial Reporting was issued in 2018. Its consequential amendments, the "Amendments to References to the Conceptual Framework in IFRS Standards" will be effective for annual periods beginning on or after 1 January 2020.

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

4 BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements have been prepared in accordance with IFRSs issued by the IASB. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange and the applicable disclosures required by the Companies Ordinance.

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

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

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in the consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of IFRS 2 *Share-based Payment*, leasing transactions that are within the scope of IFRS 16 *Leases* (since 1 October) or IAS 17(before application of IFRS 16), and measurements that have some similarities to fair value but are not fair value, such as net realisable value in IAS 2 *Inventories* or value in use in IAS 36 *Impairment of Assets*.

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

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

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

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

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

- Level 3 inputs are unobservable inputs for the asset or liability.

The principal accounting policies adopted are set out below.

4 BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Basis of consolidation

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

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

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

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

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

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

Merger accounting for business combination involving businesses under common control

The consolidated financial statements incorporate the financial statements items of the combining entities or businesses in which the common control combination occurs as if they had been combined from the date when the combining entities or businesses first came under the control of the controlling party.

The net assets of the combining entities or businesses are consolidated using the existing book values from the controlling party's perspective. No amount is recognised in respect of goodwill or excess of acquirer's interest in the net fair value of acquiree's identifiable assets, liabilities and contingent liabilities over cost at the time of common control combination, to the extent of the continuation of the controlling party's interest.

The consolidated statement of profit or loss and other comprehensive income includes the results of each of the combining entities or businesses, as appropriate, from the earliest date presented or since the date when the combining entities or businesses first came under the common control, where this is a shorter period, regardless of the date of the common control combination.

The comparative amounts in the consolidated financial statements are presented as if the businesses had been combined at the end of the previous reporting period or when they first came under common control, whichever is earlier.

4 BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Interest in a joint venture

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

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

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

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

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

4 BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES *(continued)*

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

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

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

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

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

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

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

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

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

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

4 BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Revenue from contracts with customers *(continued)*

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

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

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

Variable consideration

For contracts that contain variable consideration (i.e. variation order), the Group estimates the amount of consideration to which it will be entitled using either (a) the expected value method or (b) the most likely amount, depending on which method better predicts the amount of consideration to which the Group will be entitled.

The estimated amount of variable consideration is included in the transaction price only to the extent that it is highly probable that such an inclusion will not result in a significant revenue reversal in the future when the uncertainty associated with the variable consideration is subsequently resolved.

At the end of each reporting period, the Group updates the estimated transaction price (including updating its assessment of whether an estimate of variable consideration is constrained) to represent faithfully the circumstances present at the end of the reporting period and the changes in circumstances during the reporting period.

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

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

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

Specifically, revenue is recognised as follows:

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

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

4 BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Revenue from contracts with customers *(continued)*

Variable consideration (continued)

(ii) *Revenue from provision of other ancillary services*

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

(iii) *Rental income from investment properties*

Rental income, including rental invoiced in advance from properties under operating leases, is recognised in profit or loss on a straight-line basis over the term of the relevant lease.

Leases (prior to adoption of IFRS 16 on 1 October 2019)

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

The Group as lessor

Rental income from operating leases is recognised in other income/revenue 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.

The Group as lessee

Assets held under finance leases are initially recognised as assets of the Group at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the consolidated statement of financial position as obligation under finance lease. Lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance expenses are recognised immediately in profit or loss.

Operating lease payments are recognised as an expense on a straight-line basis over the lease term.

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis.

Leases (upon application of IFRS 16 from 1 October 2019)

Definition of a lease

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

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

4 BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Leases (upon application of IFRS 16 from 1 October 2019) *(continued)*

The Group as lessee

Allocation of consideration to components of a contract

For a contract that contains a lease component and non-lease components, the Group allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components. The Group applies practical expedient not to separate non-lease components from lease component, and instead account for the lease component and any associated non-lease components as a single lease component.

Short-term leases and leases of low-value assets

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

Right-of-use assets

The cost of right-of-use assets includes:

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

Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities.

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

The Group presents right-of-use assets in "property, plant and equipment" on the consolidated statement of financial position.

Refundable rental deposits

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

Lease liability

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

4 BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Leases (upon application of IFRS 16 from 1 October 2019) *(continued)*
The Group as lessee (continued)
Lease liability (continued)
The lease payments include:

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

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

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

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

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

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

- the modification increases the scope of the lease by adding the right to use one or more underlying assets; and
- the consideration for the leases increases by an amount commensurate with the stand-alone price for the increase in scope and any appropriate adjustments to that stand-alone price to reflect the circumstances of the particular contract.

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

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

4 BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES *(continued)*

The Group as lessor

Classification and measurement of leases

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

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

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

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

Allocation of consideration to components of a contract

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

Refundable rental deposits

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

Lease modification

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

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

Borrowing costs

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

Government grants

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

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

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

4 BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Employee benefits

Defined contribution plans – Retirement benefit costs

A defined contribution plan defines the benefits that the employee will receive at the time of retirement in which the Group makes contribution to meet the costs of benefits defined in the plan. Obligations for contributions to defined contribution pension plans are recognised as an employee benefit expense in profit or loss in the periods during which related services are rendered by employees. The Group has no further legal or constructive payment obligations once the contributions have been paid. No forfeited contributions (by employers on behalf of employees who leave the scheme prior to vesting fully in such contributions) will be used by the Group to reduce the existing level of contributions.

Payments made to Central Provident Fund in Singapore which is a defined contribution retirement plan are recognised as an expense when employees have rendered service entitling them to the contributions. Save as the aforesaid, the Group did not participate in any other pension schemes during the year ended 30 September 2020.

Short-term and other long-term employee benefits

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

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

Taxation

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

(a) Current income tax

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

(b) Deferred tax

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

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.

4 BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Taxation *(continued)*

(b) Deferred tax (continued)

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

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

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

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

For leasing transactions in which the tax deductions are attributable to the lease liabilities, the Group applies IAS 12 Income taxes requirements to right-of-use assets and lease liabilities separately. Temporary differences on initial recognition of the relevant right-of-use assets and lease liabilities separately. Temporary differences on initial recognition of the relevant right-of-use assets and lease liabilities are not recognised due to application of the initial recognition exemption. Temporary difference arising from subsequent revision to the carrying amounts of right-of-use assets and lease liabilities, resulting from remeasurement of lease liabilities and lease modifications, that are not subject to initial recognition exemption are recognised on the date of remeasurement or modification.

(c) Current and deferred tax

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

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

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

4 BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Foreign currencies

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

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

Property, plant and equipment

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

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

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

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

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

4 BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Investment properties

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

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

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

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

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

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

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

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

4 BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES *(continued)*

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

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

Dividend distribution

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

Provisions

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

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

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

Financial instruments

Initial recognition

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

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

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

4 BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Financial assets

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

Classification and subsequent settlement of financial assets

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

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and

- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; and

- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

A financial asset is held for trading if:

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

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

- it is a derivative that is not designated and effective as a hedging instrument.

4 BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Financial assets *(continued)*

Amortised cost and interest income

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

Financial assets at FVTPL

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

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

Impairment of financial assets and contract assets

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

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

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

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

4 BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Financial assets *(continued)*

Significant increase in credit risk

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

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

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

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

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

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

4 BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Financial assets *(continued)*

Definition of default

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

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

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

Credit-impaired financial assets

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

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

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

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

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

Write-off policy

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

Measurement and recognition of ECL

The measurement of ECL is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information. Estimation of ECL reflects an unbiased and probability-weighted amount that is determined with the respective risks of default occurring as the weights. The Group uses a practical expedient in estimating ECL on trade receivables using a provision matrix taking into consideration historical credit loss experience adjusted for forward looking information that is available without undue cost or effort.

4 BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Financial assets *(continued)*

Measurement and recognition of ECL (continued)

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

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

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

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

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

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

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

Derecognition of financial assets

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

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

4 BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Financial liabilities and equity instruments

Classification as debt or equity

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

Equity instruments

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

Financial liabilities

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

Financial liabilities at amortised cost

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

Derecognition of financial liabilities

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

Offsetting arrangements

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

Cash and cash equivalents

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

4 BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Related parties

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

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

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

(ii) has significant influence over the Group; or

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

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

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

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

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

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

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

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

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

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

4 BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES *(continued)*

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

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

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

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

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

5 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in Note 4 to the consolidated financial statements, the management of the Group is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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

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

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

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

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

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

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

The carrying amounts of contract assets and contract liabilities arising from provision of civil engineering works and building construction works are disclosed in Note 22.

Estimated impairment of trade receivables, other receivables and contract assets

The Group estimates lifetime ECL for trade receivables, other receivables and contract assets using individual assessment, based on the internal credit rating, 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. The amount of the impairment loss based on ECL model is measured as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the effective interest rate determined at initial recognition. Where the future cash flows are less than expected, or being revised downward due to changes in facts and circumstances, a material impairment loss may arise.

The carrying amount of trade receivables, other receivables and contract assets as at 30 September 2020 and 2019 are disclosed in Notes 20, 21 and 22 respectively.

During the year ended 30 September 2020, allowance for expected credit losses of S$381,435 (2019: S$67,495), S$182,604 (2019: S$Nil) and S$351,508 (2019: S$9,177) in respect of trade receivables, other receivables and contract assets is recognised in the statement of profit or loss and other comprehensive income respectively.

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

The Group's investment properties amounting to S$9,184,000 (2019: S$9,140,000) and investment properties held under joint operations amounting to S$6,835,000 (2019: S$7,020,000) as at 30 September 2020 are measured at fair values with fair values being determined based on unobservable inputs using valuation techniques. Judgement and estimation are required in establishing the relevant valuation techniques and the relevant inputs thereof. Changes in assumptions relating to these factors could affect the reported fair values of these properties. See Notes 16 and 17 for further disclosures respectively.

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

Impairment of property, plant and equipment and right-of-use assets and joint venture

Property, plant and equipment and right-of-use assets and joint venture are stated at costs less accumulated and impairment, if any. In determining whether an asset is impaired, the Group has to exercise judgement and make estimation, particularly in assessing: (1) whether an event has occurred or any indicators that may affect the asset value; (2) whether the carrying value of an asset can be supported by the recoverable amount, in the case of value in use, the net present value of future cash flows which are estimated based upon the continued use of the asset; and (3) the appropriate key assumptions to be applied in estimating the recoverable amounts including cash flow projections and an appropriate discount rate. When it is not possible to estimate the recoverable amount of an individual asset including right-of-use assets, the Group estimates the recoverable amount of the cash generating unit to which the assets belongs, including allocation of corporate assets when a reasonable and consistent basis of allocation can be established, otherwise recoverable amount is determined at the smallest group of cash generating units, for which the relevant corporate assets have been allocated. Changing the assumptions and estimates, including the discount rates or the growth rate in the cash flow projections, could materially affect the recoverable amounts. Furthermore, the cash flows projections, growth rate and discount rate are subject to greater uncertainties in the current year due to uncertainty on how the COVID-19 pandemic may progress and evolve and volatility in financial markets, including potential disruptions in the Group's provision of construction services.

As at 30 September 2020, the carrying amounts of right-of-use assets and property, plant and equipment subject to impairment assessment were approximately S$6,043,903 and S$14,323,803 in respect of right-of-use assets and property, plant and equipment respectively. No impairment has been made for the years ended 30 September 2020 and 2019.

Income tax expense

The Group has exposure to income taxes in Singapore. In determining the income tax liabilities, management is required to estimate the amount of capital allowances, deductibility of certain expenses and applicable tax incentives. There are transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognised liabilities for anticipated tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred income tax recognised in the period in which such determination is made. The carrying amounts of the Group's current income tax payable as at 30 September 2020 was S$59,728 (2019: income tax payable S$1,363,894).

6 REVENUE AND SEGMENT INFORMATION

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

(i) Disaggregation of revenue from contracts with customers

	2020 **S$**	2019 S$ (Restated)
Type of services		
Construction services		
– Civil engineering works	**35,351,287**	73,607,169
– Building construction works	**5,376,747**	11,803,647
– Other ancillary services	**374,387**	1,168,191
Revenue from contracts with customers	**41,102,421**	86,579,007
Rental from property investment	**420,750**	512,845
Segment revenue *(Note 6(iv))*	**41,523,171**	87,091,852
Timing of revenue recognition		
Over time	**41,102,421**	86,579,007
Type of customers		
Corporate	**21,025,577**	39,115,589
Government	**20,076,844**	47,463,418
	41,102,421	86,579,007

(ii) Performance obligations for contracts with customers

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

6 REVENUE AND SEGMENT INFORMATION *(continued)*

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

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

	2020 **S$**	2019 S$ (Restated)
Civil engineering works		
– Within one year	**42,029,720**	44,408,700
– More than one year but not more than two years	**18,687,878**	14,054,150
– More than two years but not more than five years	**19,136,834**	4,659,849
– More than five years	**19,154,955**	16,772,755
	99,009,387	79,895,454
Building construction works		
– Within one year	**2,877,821**	6,320,844
– More than one year but not more than two years	**553,953**	–
	3,431,774	6,320,844
	102,441,161	86,216,298

During the year, majority of the construction contracts for services provided to external customers last over 12 months (2019: 12 months).

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

(iv) Segment information

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

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

- Property investment: Include residential and industrial properties leasing.

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

6 REVENUE AND SEGMENT INFORMATION *(continued)*

(iv) Segment information *(continued)*

	2020 **S$**	2019 S$ (Restated)
Segment revenues		
Construction services	**41,102,421**	86,579,007
Property investment	**420,750**	512,845
	41,523,171	87,091,852
Segment results		
Construction services	**(2,330,382)**	13,013,269
Property investment	**288,564**	356,742
	(2,041,818)	13,370,011
Unallocated:		
Other income	**2,624,121**	201,167
Other gains and losses	**286,770**	468,027
Administrative expenses	**(5,792,829)**	(6,202,129)
Allowance for expected credit losses on financial assets and contract assets, net	**(915,548)**	(76,672)
Finance costs	**(1,261,072)**	(971,067)
Listing expenses	**–**	(3,774,929)
Share of result of a joint venture	**(55,929)**	64,526
(Loss)/profit before taxation	**(7,156,305)**	3,078,934

The accounting policies for segment information are the same as Group's accounting policies described in Note 4.

(v) Geographical information

The Group principally operates in Singapore, which is also the place of domicile. The Group's revenue are all derived from Singapore (2019: 100%) and the Group's non-current assets are all located in Singapore.

6 REVENUE AND SEGMENT INFORMATION *(continued)*

(vi) *Information about major customers*

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

	2020 **S$**	2019 S$ (Restated)
Customer I**	**13,115,756**	39,531,844
Customer II**	**4,776,548**	–*
Customer III**	**4,343,740**	–*
Customer IV**	**–***	9,107,184
Customer V**	**–***	10,858,632

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

** *Revenue is from segment of construction services.*

7 OTHER INCOME

	2020 **S$**	2019 S$
Government grants *(Note)*	**2,344,719**	34,698
Rental income from renting properties to directors	**132,000**	132,000
Rental income from renting equipment	**66,095**	2,572
Interest income from bank deposits	**707**	1,484
Others	**80,600**	30,413
	2,624,121	201,167

Note:

*Government grants in 2020 mainly include COVID-19-related support by the Singapore government to help companies tide through this period of economic uncertainty, such as the COVID-Safe project-based support, Foreign Worker Levy ("**FWL**") rebates and the Job Support Scheme ("**JSS**").*

The COVID-Safe project-based support provides for additional costs related to ensuring project sites comply with COVID-Safe requirements including safe distancing measures (e.g. demarcation of work zones, barricades), and is granted to main contractors. Support levels are at 1.5% of the project contract value, capped at S$150,000 per project, for all projects with contract value above S$100,000.

Under the JSS, the government co-funds between 25% to 75% of the first $4,600 of gross monthly wages paid to each local employee in a 12-month period (up to October 2020) and 30% of the same in the subsequent 5-month period (November 2020 to March 2021).

All government grants are compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs.

8 OTHER GAINS AND LOSSES

	2020 S$	2019 S$
Net gain on disposal of property, plant and equipment	**651,276**	30,254
Gain from sale of scrap materials	**122,100**	109,587
Net foreign exchange loss	**(59,751)**	(1,801)
Fair value gains/(losses) on investment properties	**44,000**	(20,000)
Fair value (losses)/gains on investment properties held under joint operations	**(185,000)**	125,000
Fair value losses on financial assets at fair value through profit or loss	**(285,855)**	–
Written off of payables to suppliers that are liquidated	**–**	224,987
	286,770	468,027

9 FINANCE COSTS

	2020 S$	2019 S$
Interests on:		
– Bank borrowings	**875,907**	679,378
– Bank overdrafts	**232,589**	219,269
– Lease liabilities	**152,576**	–
– Obligations under finance leases	**–**	72,420
	1,261,072	971,067

10 (LOSS)/PROFIT BEFORE TAXATION

(Loss)/profit before taxation has been arrived at after charging:

	2020 S$	2019 S$ (Restated)
Depreciation of property, plant and equipment,		
recognised as cost of services	**2,643,907**	1,899,621
recognised as administrative expenses	**923,330**	875,331
	3,567,237	2,774,952
Expense relating to short-term leases	**298,611**	–
Minimum lease payments under operating leases	**–**	618,626
Audit fees to auditors of the Company:		
– Annual audit fees	**240,000**	245,000
– Audit fees in connection with the listing of the Company *(Note)*	**–**	267,000
Listing expenses *(Note)*	**–**	3,774,929
Directors' remuneration *(Note 12)*	**1,249,650**	1,304,036
Other staff costs:		
– Salaries and other benefits	**6,616,834**	7,830,146
– Contributions to CPF	**515,686**	560,671
– Foreign worker levy and skill development levy	**538,334**	1,047,563
Total staff costs (including directors' remuneration),	**8,920,504**	10,742,416
recognised as cost of services	**5,995,567**	7,419,284
recognised as administrative expenses	**2,924,937**	3,323,132
Cost of materials recognised as cost of services	**8,649,813**	9,196,652
Subcontracting costs recognised as cost of services	**23,347,008**	45,945,746

Note:

Included in listing expenses for the year ended 30 September 2019 were audit fees of S$267,000 paid to auditors of the Company, and non-audit fees of S$219,000 paid to other auditors of the Group.

Included in share issue expenses for the year ended 30 September 2019 were audit fees of S$89,000 paid to auditors of the Company, and non-audit fees of S$73,000 paid to other auditors of the Group.

11 INCOME TAX (CREDIT)/EXPENSE

	2020 S$	2019 S$
Tax expense comprises:		
Current tax		
– Singapore corporate income tax ("**CIT**")	**–**	1,663,279
– Under/(over) provision in prior years	**16,483**	(48,773)
Deferred tax *(Note 27)*		
– Current year	**(85,188)**	88,000
	(68,705)	1,702,506

Singapore CIT is calculated at 17% (2019: 17%) of the estimated assessable profit of the Singapore subsidiaries. These entities are further eligible for CIT rebate of 25%, capped at S$15,000 for Year of Assessment ("**YA**") 2020 while Nil for YA 2021. Singapore subsidiaries can also enjoy 75% tax exemption on the first S$10,000 of normal chargeable income and a further 50% tax exemption on the next S$190,000 of normal chargeable income for YA 2020 and YA 2021.

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

	2020 S$	2019 S$ (Restated)
(Loss)/profit before taxation	**(7,156,305)**	3,078,934
Tax at applicable tax rate of 17%	**(1,216,571)**	523,418
Effect of income not taxable for tax purpose	**(104,105)**	(17,850)
Effect of expenses not deductible for tax purpose	**628,458**	813,145
Effect of different tax rates of the Company and a subsidiary operating in other jurisdictions	**–**	30,831
Tax effect of share of result of a joint venture	**9,508**	(10,969)
Effect on tax concession and exemption	**–**	(200,773)
Effect of unused tax losses and deductible temporary differences not recognised	**599,221**	628,480
Effect of previously unrecognised and unused tax losses now being utilised	**(1,699)**	(15,003)
Under/(over)provision for current tax in prior years	**16,483**	(48,773)
Income tax (credit)/expense	**(68,705)**	1,702,506

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

Directors' and chief executive's emoluments

Mr. Poon and Mr. Teo were appointed as executive directors of the Company on 17 September 2018. Mr. Chan Kwok Wing Kelvin, Mr. May Tai Keung Nicholas and Mr. Tam Hon Fai were appointed as independent non-executive directors of the Company on 23 August 2019.

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

Year ended 30 September 2020

	Fees S$	**Discretionary bonus *(Note iii)* S$**	**Salaries and allowances S$**	**Contributions to CPF *(Note iv)* S$**	**Total S$**
Executive Directors					
Mr. Poon *(Note i)*	**–**	**53,750**	**516,000**	**17,250**	**587,000**
Mr. Teo *(Note ii)*	**–**	**53,750**	**516,000**	**29,900**	**599,650**
Independent Non-executive Directors					
Mr. Chan Kwok Wing Kelvin	**21,000**	**–**	**–**	**–**	**21,000**
Mr. May Tai Keung Nicholas	**21,000**	**–**	**–**	**–**	**21,000**
Mr. Tam Hon Fai	**21,000**	**–**	**–**	**–**	**21,000**
	63,000	**107,500**	**1,032,000**	**47,150**	**1,249,650**

Year ended 30 September 2019

	Fees S$	Discretionary bonus *(Note iii)* S$	Salaries and allowances S$	Contributions to CPF *(Note iv)* S$	Total S$
Executive Directors					
Mr. Poon *(Note i)*	100,000	43,000	486,000	13,650	642,650
Mr. Teo *(Note ii)*	100,000	43,000	486,000	30,460	659,460
Independent Non-executive Directors					
Mr. Chan Kwok Wing Kelvin	642	–	–	–	642
Mr. May Tai Keung Nicholas	642	–	–	–	642
Mr. Tam Hon Fai	642	–	–	–	642
	201,926	86,000	972,000	44,110	1,304,036

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

Directors' and chief executive's emoluments (continued)

Notes:

(i) Mr. Poon acts as the chairman of the Company.

(ii) Mr. Teo acts as chief executive of the Company with effect from 17 September 2018 and his emoluments disclosed above included those for services rendered by him as the chief executive. Mr. Teo has tendered his resignation as executive Director of the Company with effected from 26 November 2021.

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

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

(v) Mr. Koh Chew Chiang (alias Xu Zhouchang) (previously known as Faris Koh) has been appointed as an executive Director with effective from 26 November 2021.

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

Employees' remuneration

Of the five individuals with the highest emoluments in the Group, two (2019: two) were directors of the Company during the year ended 30 September 2020 whose emoluments are included in the disclosures above. The emoluments of the remaining individuals were as follows:

	2020 S$	2019 S$
Salaries and allowances	**361,000**	445,677
Discretionary bonuses	**92,500**	130,500
Contribution to CPF	**57,205**	57,486
	510,705	633,663

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

	Number of individuals	
	2020	2019
Emolument bands		
Nil to Hong Kong dollars ("**HK$**") HK$1,000,000	**3**	2
HK$1,000,001 to HK$1,500,000	**–**	1
HK$1,500,001 to HK$2,000,000	**–**	–
HK$2,000,001 to HK$2,500,000	**–**	–
HK$2,500,001 to HK$3,000,000	**–**	–
HK$3,000,001 to HK$3,500,000	**2**	–
HK$3,500,001 to HK$4,000,000	**–**	2
	5	5

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

Employees' remuneration *(continued)*

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

13 DIVIDENDS

No dividend has been declared by the Company or group entities during the year or subsequent to the year end.

On 29 September 2018, Sing Tec Development and Sing Tec Construction declared one-tier tax exempt interim dividends of S$5,700,000 and S$1,440,000 respectively in respect of the financial year ended 30 September 2018. Out of total dividends amount of S$7,140,000, S$5,530,858 was settled by offsetting against amounts due from the Controlling Shareholders, who were the then shareholders of the entities as at the date of declaration, and S$1,609,142 remained unpaid as at 30 September 2018. On 20 December 2018, unpaid dividend amounting to S$1,109,142 was waived by the Controlling Shareholders (recorded as other reserves) and the remaining balance of S$500,000 was settled in cash.

The rate of dividends and the number of shares ranking for the above dividends are not presented as such information is not meaningful.

14 (LOSS)/EARNINGS PER SHARE

	2020	2019 (Restated)
(Loss)/profit for the year attributable to owners of the Company (S$)	**(7,087,600)**	1,376,428
Weighted average number of ordinary shares in issue	**480,000,000**	363,945,205
Basic and diluted(loss)/earnings per share (S cents)	**(1.48)**	0.38

The calculation of basic (loss)/earnings per share for the years ended 30 September 2020 and 2019 is based on the (loss)/profit for the year attributable to owners of the Company and the weighted average number of shares in issue.

Diluted (loss)/earnings per share is the same as the basic (loss)/earnings per share because the Group has no dilutive securities that are convertible into shares during the years ended 30 September 2020 and 2019.

15 PROPERTY, PLANT AND EQUIPMENT

	Leasehold properties S$	Buildings and freehold land* S$	Dormitories S$	Motor vehicles S$	Plant and machinery S$	Office equipment S$	Furniture and fittings S$	Leasehold improvement S$	Total S$
Cost:									
At 1 October 2018	8,337,600	3,548,113	–	6,222,699	12,003,001	306,538	112,236	1,704,544	32,234,731
Additions	–	–	–	379,999	1,484,400	87,490	–	–	1,951,889
Disposal/written off	–	–	–	(245,492)	(331,800)	–	–	–	(577,292)
At 30 September 2019	8,337,600	3,548,113	–	6,357,206	13,155,601	394,028	112,236	1,704,544	33,609,328
Adoption of IFRS 16 *(Note 3)*	1,344,986	–	–	–	–	–	–	–	1,344,986
At 1 October 2019 (Restated)	**9,682,586**	**3,548,113**	**–**	**6,357,206**	**13,155,601**	**394,028**	**112,236**	**1,704,544**	**34,954,314**
Additions	**206,321**	**–**	**695,967**	**681,967**	**3,496,799**	**46,169**	**–**	**–**	**5,127,223**
Disposal/written off	**–**	**–**	**–**	**(275,000)**	**(2,440,000)**	**(10,900)**	**–**	**–**	**(2,725,900)**
At 30 September 2020	**9,888,907**	**3,548,113**	**695,967**	**6,764,173**	**14,212,400**	**429,297**	**112,236**	**1,704,544**	**37,355,637**
Accumulated depreciation:									
At 1 October 2018	323,582	177,426	–	3,929,029	8,367,629	142,827	49,965	829,438	13,819,896
Charge for the year	277,920	22,202	–	784,693	1,396,724	57,932	16,802	218,679	2,774,952
Disposal/written off	–	–	–	(231,787)	(331,800)	–	–	–	(563,587)
At 30 September 2019	**601,502**	**199,628**	**–**	**4,481,935**	**9,432,553**	**200,759**	**66,767**	**1,048,117**	**16,031,261**
Charge for the year	**396,693**	**22,202**	**273,343**	**703,742**	**1,871,442**	**65,948**	**15,633**	**218,234**	**3,567,237**
Disposal/written off	**–**	**–**	**–**	**(167,667)**	**(2,432,000)**	**(10,900)**	**–**	**–**	**(2,610,567)**
At 30 September 2020	**998,195**	**221,830**	**273,343**	**5,018,010**	**8,871,995**	**255,807**	**82,400**	**1,266,351**	**16,987,931**
Carrying values:									
At 30 September 2020	**8,890,712**	**3,326,283**	**422,624**	**1,746,163**	**5,340,405**	**173,490**	**29,836**	**438,193**	**20,367,706**
At 30 September 2019	7,736,098	3,348,485	–	1,875,271	3,723,048	193,269	45,469	656,427	17,578,067

* *Freehold land with carrying value of S$2,438,000 as at 30 September 2019 and 2020 is not subject to depreciation.*

All of the buildings and freehold land are initially held for use for administrative purposes and stated at cost less subsequent accumulated depreciation, where applicable. These are leased to the two directors of the Group, Mr. Poon and Mr. Teo, for an unspecified tenancy period prior to 1 December 2018. Subsequently on 14 December 2018, the Group and the two directors entered into lease agreements for lease term of three years ending 30 November 2021. The related rental income is disclosed in Note 7.

15 PROPERTY, PLANT AND EQUIPMENT *(continued)*

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

Freehold land	N/A
Buildings	50 years
Leasehold land	Remaining lease term of approximately with in 1 year to 23 years
Leasehold properties	30 years
Dormitories	Lease term of 1 to 2 years
Motor vehicles	5 years
Plant and machinery	5 years
Office equipment	5 years
Furniture and fittings	5 years
Leasehold improvement	Shorter of 5 years and lease term

The carrying amounts of right-of-use assets (included in the property, plant and equipment) as at 30 September 2020, additions, transfer and depreciation by classes of right-of-use assets during the year are set out below:

	2020 S$
Carrying amount	
Leasehold land	1,432,534
Dormitories	422,624
Plant and machinery	2,921,392
Motor vehicles	1,267,353
	6,043,903
Additions during the year	
Dormitories	695,967
Leasehold land	206,321
Plant and machinery	2,608,483
Motor vehicles	669,830
	4,180,601
Depreciation recognised in profit or loss	
Leasehold land	118,773
Dormitories	273,343
Plant and machinery	977,975
Motor vehicles	374,589
	1,744,680
Carrying amount of right-of-use assets transfer to property, plant and equipment	
Plant and machinery	419,799
Motor vehicles	137,083
	556,882

15 PROPERTY, PLANT AND EQUIPMENT *(continued)*

The leasehold properties and buildings and freehold land with carrying value of S$10,784,462 (2019: S$11,084,583) in total are pledged to banks to secure banking facilities including bank borrowings as disclosed in Note 25.

The carrying value of below items that were assets held under finance leases:

	2019 S$
Plant and machinery	1,710,683
Motor vehicles	1,109,195
	2,819,878

16 INVESTMENT PROPERTIES

	Investment properties S$
Fair value	
At 1 October 2018	9,160,000
Net decrease in fair value recognised in profit or loss	(20,000)
At 30 September 2019	9,140,000
Net increase in fair value recognised in profit or loss	44,000
At 30 September 2020	**9,184,000**

All of the Group's property interests held under operating leases to earn rentals or for capital appreciation purposes are measured using the fair value model and are classified and accounted for as investment properties.

The fair value of the Group's investment properties has been arrived at on the basis of a valuation carried out on the respective year end dates by ROMA Appraisals Limited (the "**Valuer**"), an independent qualified professional valuer, not related to the Group, whose method of valuation has been disclosed below. The address of the Valuer is at 22/F, China Overseas Building, No. 139 Hennessy Road, Wan Chai, Hong Kong. The investment properties are categorised within level 3 of the fair value hierarchy.

The fair value was determined based on the direct comparison approach that reflects sale of the properties in its existing state with the benefit of vacant possession and by making reference to recent comparable sales transactions as available in the relevant market. There has been no change in the valuation technique during the year.

16 INVESTMENT PROPERTIES *(continued)*

In estimating the fair value of the properties, the highest and best use of the properties is their current use.

Property	Valuation technique	Significant unobservable input(s)	Sensitivity
21 Toh Guan Road East #01-10, Singapore 608609	Direct comparison	Market unit rate, taking into account recent transaction prices for similar properties adjusted for nature, location and conditions of the property, which ranged after taking the above adjustment factor from S$398 to S$403 (2019: S$405 to S$409) per square foot ("**sq ft.**") as at 30 September 2020.	A significant increase in the market unit rate used would result in a significant increase in fair value, and vice versa.
21 Toh Guan Road East #01-11, Singapore 608609	Direct comparison	Market unit rate, taking into account recent transaction prices for similar properties adjusted for nature, location and conditions of the property, which ranged after taking the above adjustment factor from S$398 to S$403 (2019: S$405 to S$409) per sq ft. as at 30 September 2020.	A significant increase in the market unit rate used would result in a significant increase in fair value, and vice versa.
45 Hillview Avenue #01-05, Singapore 669613	Direct comparison	Market unit rate, taking into account recent transaction prices for similar properties adjusted for nature, location and conditions of the property, which ranged after taking the above adjustment factor from S$1,004 to S$1,030 (2019: S$990 to S$1,015) per sq ft. as at 30 September 2020.	A significant increase in the market unit rate used would result in a significant increase in fair value, and vice versa.

16 INVESTMENT PROPERTIES *(continued)*

Property	Valuation technique	Significant unobservable input(s)	Sensitivity
45 Hillview Avenue #01-06, Singapore 669613	Direct comparison	Market unit rate, taking into account recent transaction prices for similar properties adjusted for nature, location and conditions of the property, which ranged after taking the above adjustment factor from S$1,004 to S$1,031 (2019: S$990 to S$1,015) per sq ft. as at 30 September 2020	A significant increase in the market unit rate used would result in a significant increase in fair value, and vice versa.
11 Kang Choo Bin Road #01-01, Singapore 548315	Direct comparison	Market unit rate, taking into account recent transaction prices for similar properties adjusted for nature, location and conditions of the property, which ranged after taking the above adjustment factor from S$1,016 to S$1,045 (2019: S$1,005 to S$1,016) per sq ft. as at 30 September 2020.	A significant increase in the market unit rate used would result in a significant increase in fair value, and vice versa.
11 Kang Choo Bin Road #01-03, Singapore 548315	Direct comparison	Market unit rate, taking into account recent transaction prices for similar properties adjusted for nature, location and conditions of the property, which ranged after taking the above adjustment factor from S$991 to S$1,011 (2019: S$976 to S$989) per sq ft. as at 30 September 2020.	A significant increase in the market unit rate used would result in a significant increase in fair value, and vice versa.

16 INVESTMENT PROPERTIES *(continued)*

Details of the Group's investment properties and information about the fair value hierarchy as at the end of each reporting period are as follows:

	Fair Value Level 3	
	2020	2019
	S$	S$
21 Toh Guan Road East #01-10, Singapore 608609	**1,460,000**	1,490,000
21 Toh Guan Road East #01-11, Singapore 608609	**1,460,000**	1,490,000
45 Hillview Avenue #01-05, Singapore 669613	**1,810,000**	1,780,000
45 Hillview Avenue #01-06, Singapore 669613	**1,800,000**	1,770,000
11 Kang Choo Bin Road #01-01, Singapore 548315	**1,210,000**	1,190,000
11 Kang Choo Bin Road #01-03, Singapore 548315	**1,444,000**	1,420,000
	9,184,000	9,140,000

All the above properties are pledged to banks to secure banking facilities including bank borrowings as disclosed in Note 25. There was no transfer into or out of Level 3 during the year.

Details of rental income earned from and direct operating expenses for the Group's investment properties are disclosed as follows:

	2020	2019
	S$	S$
Gross rental income recognised as rental revenue	**229,862**	281,361
Less: Direct operating expenses incurred and recognised as cost of services	**(69,898)**	(77,735)
	159,964	203,626

17 INVESTMENT PROPERTIES HELD UNDER JOINT OPERATIONS

Fair value hierarchy of the Group's investment properties held under joint operations are as follows:

	Fair Value Level 3	
	2020	2019
	S$	S$
7 Soon Lee Street #01-13, Singapore 627608 *(Note i)*	**4,100,000**	4,190,000
Proportion of the Group's ownership interest in the investment properties held under joint operations	**50%**	50%
Group's share of the investment properties held under joint operations	**2,050,000**	2,095,000
114 Lavender Street, #01-68 CT Hub 2, Singapore 338729 *(Note ii)*	**9,570,000**	9,850,000
Proportion of the Group's ownership interest in the investment properties held under joint operations	**50%**	50%
Group's share of the investment properties held under joint operations	**4,785,000**	4,925,000
	6,835,000	7,020,000

The fair value of the Group's investment properties held under joint operations has been arrived at on the basis of a valuation carried out on the respective year end dates by the Valuer, whose method of valuation has been disclosed below. The investment properties are categorised within level 3 of the fair value hierarchy.

The fair value was determined based on the direct comparison approach that reflects sale of the properties in its existing state with the benefit of vacant possession and by making reference to recent comparable sales transactions as available in the relevant market. There has been no change in the valuation technique during the year.

17 INVESTMENT PROPERTIES HELD UNDER JOINT OPERATIONS *(continued)*

In estimating the fair value of the properties, the highest and best use of the properties is their current use.

Property	Valuation technique	Significant unobservable input(s)	Sensitivity
7 Soon Lee Street #01-13, Singapore 627608	Direct comparison	Market unit rate, taking into account recent transaction prices for similar properties adjusted for nature, location and conditions of the property, which ranged after taking the above adjustment factor from S$603 to S$609 (2019: S$609 to S$637) per sq ft. as at 30 September 2020.	A significant increase in the market unit rate used would result in a significant increase in fair value, and vice versa.
114 Lavender Street #01-68, CT Hub 2, Singapore 338729	Direct comparison	Market unit rate, taking into account recent transaction prices for similar properties adjusted for nature, location and conditions of the property, which ranged after taking the above adjustment factor from S$1,281 to S$1,282 (2019: S$1,310 to S$1,327) per sq ft. as at 30 September 2020.	A significant increase in the market unit rate used would result in a significant increase in fair value, and vice versa.

Both properties are pledged to banks to secure banking facilities including bank borrowings as disclosed in Note 25. There was no transfer into or out of Level 3 during the year.

Notes:

(i) Pursuant to the arrangement with the joint party in connection with the property, all the costs, deposit, revenue and mortgage loan related to the property shall be shared by the Group and the joint party in proportion to their respective ownership. The relative information attributed to the Group's interest is as follows:

	2020 S$	2019 S$
Group's share of investment property held under joint operation:		
At beginning of the year	***2,095,000***	*2,010,000*
Net (decrease)/increase in fair value recognised in profit or loss	***(45,000)***	*85,000*
At end of the year	***2,050,000***	*2,095,000*

(ii) Pursuant to the arrangement with the joint party in connection with the property, all the costs, deposit, revenue and mortgage loan related to the property shall be shared by the Group and the joint party in proportion to their respective ownership. The relative information attributed to the Group's interest is as follows:

	2020 S$	2019 S$
Group's share of the investment property held under joint operation:		
At beginning of the year	***4,925,000***	*4,885,000*
Net (decrease)/increase in fair value recognised in profit or loss	***(140,000)***	*40,000*
At end of the year	***4,785,000***	*4,925,000*

17 INVESTMENT PROPERTIES HELD UNDER JOINT OPERATIONS *(continued)*

Details of rental income earned from and direct operating expenses for investment properties held under joint operations attributable to the Group are disclosed as follows:

	2020 S$	2019 S$
Gross rental income recognised as rental revenue	**190,888**	231,484
Less: Direct operating expenses incurred and recognised as cost of services	**(62,288)**	(78,368)
	128,600	153,116

18 INTEREST IN A JOINT VENTURE

	2020 S$	2019 S$
Cost of interest in a joint venture, unlisted	**1,000,000**	1,000,000
Share of post acquisition profit and other comprehensive income	**78,821**	134,750
	1,078,821	1,134,750

The Group has interest in the following joint venture:

Name of joint venture	Place of incorporation	Proportion of ownership interest held by the Group	Principal activities
Ramo – Sing Tec JV Pte. Ltd.	Singapore	50%	General contractors

Ramo – Sing Tec JV Pte. Ltd. was incorporated in June 2014 with S$2,000,000 registered capital, out of which, the Group contributed S$1,000,000.

Summarised financial information in respect of the joint venture, representing amounts shown in the joint venture's financial statements prepared in conformity with IFRSs are as below:

	2020 S$	2019 S$
Current assets	**2,359,433**	2,458,372
– including cash and cash equivalents	**59,481**	59,516
Non-current assets	**–**	5,670
Current liabilities, representing total liabilities	**(201,791)**	(194,542)
Net assets	**2,157,642**	2,269,500
Proportion of the Group's ownership interest in the joint venture	**50%**	50%
Group's share of net assets, representing the carrying amount of the Group's interest in the joint venture	**1,078,821**	1,134,750

18 INTEREST IN A JOINT VENTURE *(continued)*

	2020 S$	2019 S$
Revenue	**–**	–
(Loss)/profit for the year, representing total comprehensive (loss)/income for the year	**(111,858)**	129,052
Proportion of the Group's ownership interest in the joint venture	**50%**	50%
Group's share of result of the joint venture	**(55,929)**	64,526

19 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2020 S$
Keyman life insurance policy	**1,241,426**

During the year ended 30 September 2020, the Group entered into two life insurance policies with an insurance company to insure against the death and permanent disability of executive directors. Under the policies, the beneficiary and policies holder are Sing Tec Development Pte. Ltd., a wholly owned subsidiary of the Company, and the insured sum and minimum protection amount of S$765,150 and S$1,103,000 respectively. The contracts will be terminated on the occurrence of the earliest of the death of the key management personnel insured or other terms pursuant to the contracts. The Company has paid out the total insurance premium with an aggregate amount of S$1,527,281 at the inception of the policies. The Group may request a surrender of the contracts at any time and receive cash back based on the cash value at the date of withdrawal, which is determined by the gross premium paid at inception plus accumulated guaranteed interest earned and minus insurance premium charged (the "**Cash Value**"). The fair value is based on redemption value quoted by the insurance company.

These policies are recorded in the consolidated financial statements at fair value, represented by the total cash surrender value of the contract stated in the annual statement of these policies (level 2), as disclosed in Note 33(d).

20 TRADE RECEIVABLES

	2020 S$	2019 S$
Trade receivables	**6,026,769**	9,477,426
Less: allowance for expected credit losses	**(445,265)**	(67,495)
	5,581,504	9,409,931
Unbilled revenue *(Note)*	**1,129,555**	1,239,640
Less: allowance for expected credit losses	**(3,665)**	–
	6,707,394	10,649,571

Note: Unbilled revenue represents revenue recognised but not yet billed to the customers as at year end. The Group's rights of the unbilled revenue are unconditional.

The Group grants credit terms to customers typically 30 to 35 days (2019: 30 to 35 days) from the invoice dates. The following is an aged analysis of trade receivables, net of allowance for expected credit losses, presented based on the invoice date at the end of each reporting period:

	2020 S$	2019 S$
Within 30 days	**1,093,984**	3,010,442
31 days to 60 days	**2,398**	4,878,504
61 days to 90 days	**721,612**	229,364
91 days to 180 days	**24,185**	1,063,977
181 days to 1 year	**3,499,799**	169,051
Over 1 year	**239,526**	58,593
	5,581,504	9,409,931

The Group does not charge interest or hold any collateral over its trade receivables balances.

The Group applied simplified approach to assess the expected credit losses prescribed by IFRS 9. There has been no change in the estimation techniques or significant assumptions made. Details of impairment assessment of trade receivables are set out in Notes 5 and 33(b).

The Group has recognised the net allowance of expected credit losses of S$381,435 to the consolidated statement of profit or loss during the year 30 September 2020 (2019: S$67,495).

21 OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	2020 S$	2019 S$
Sundry debtors	**616,169**	523,583
Advances to subcontractors *(Note)*	**4,722,819**	–
Prepayments and advances	**436,304**	242,222
Deferred expenses	**–**	88,929
Deposits	**232,963**	181,861
Goods and Services Tax ("**GST**") receivable	**202,770**	269
Rental receivable	**–**	24,167
	6,211,025	1,061,031
Less: allowance for expected credit losses	**(182,604)**	–
	6,028,421	1,061,031

Note: Advance payment to subcontractors represented the amount paid to the subcontractors for the purposes of financing the sub-contractor in beginning period of sub-contracting services. As at date of the report, the advances to subcontractors has been fully recovered.

Details of impairment assessment are set out in Notes 5 and 33(b).

22 CONTRACT ASSETS/LIABILITIES

The following is the analysis of the contract assets and contract liabilities balances for financial reporting purpose:

	30 September 2020 S$	30 September 2019 S$ (Restated)	1 October 2018 S$
Contract assets, net of loss allowance	**19,726,036**	26,466,568	25,463,110
Contract liabilities	**(34,885)**	(3,275)	(227,246)
	19,691,151	26,463,293	25,235,864

Contract assets

Amounts of contract assets represent the Group's rights to considerations from customers for the provision of construction services, which arise when: (i) the Group completed the relevant services under such contracts; and (ii) the customers withhold certain amounts payable to the Group as retention money to secure the due performance of the contracts for a period of generally 12 months (defect liability period) after completion of the relevant works. Any amount previously recognised as a contract asset is reclassified to trade receivables at the point at which it becomes unconditional and is invoiced to the customer.

22 CONTRACT ASSETS/LIABILITIES *(continued)*

The expected timing of recovery of settlement for contract assets as at 30 September is as follows:

	2020 S$	2019 S$ (Restated)
Within one year	**16,245,281**	23,061,116
After one year	**3,480,755**	3,405,452
Total contract assets	**19,726,036**	26,466,568

The Group's contract assets are analysed as follows:

	2020 S$	2019 S$ (Restated)
Construction contracts – *current*:		
Retention receivables	**3,025,344**	3,314,486
Others*	**17,061,377**	23,161,259
	20,086,721	26,475,745
Less: allowance for expected credit losses	**(360,685)**	(9,177)
	19,726,036	26,466,568

* *It represents the revenue not yet been billed to the customers which the Group have completed the relevant services under such contracts but yet certified by representatives appointed by the customers.*

Changes of contract assets during the year were mainly due to: (1) the amount of retention receivables in accordance with the number of ongoing and completed contracts under the defect liability period during the year; and (2) the size and number of contract works that the relevant services were completed but yet certified by representatives appointed by the customers at the end of each reporting period.

The Group's contract assets include retention receivables to be settled, based on the expiry of the defect liability period of the relevant contracts or in accordance with the terms specified in the relevant contracts, at the end of the reporting period. The balances are classified as current as they are expected to be received within the Group's normal operating cycle.

22 CONTRACT ASSETS/LIABILITIES *(continued)*

The Group has recognised the net allowance of expected credit losses of S$351,508 to the consolidated statement of profit or loss during the year ended 30 September 2020 (2019: S$9,177).

There has been no change in the estimation techniques or significant assumptions made during the current reporting period in assessing the loss allowance for the contract assets. Details of impairment assessment are set out in Notes 5 and 33(b).

Contract liabilities

The contract liabilities represents the Group's obligation to transfer services to customers for which the Group has received consideration (or an amount of consideration is due) from the customers.

The Group's contract liabilities are analysed as follows:

	2020 **S$**	2019 S$ (Restated)
Construction contracts – *current*	**34,885**	3,275

Out of revenue recognised during the year, S$3,275 (2019: S$227,246) relates to carried-forward contract liabilities that were included in contract liabilities balance presented in the consolidated statement of financial position at beginning of the year.

None of the revenue recognised during the year relates to performance obligations that were satisfied in prior years.

23 BANK DEPOSITS/BANK BALANCES AND CASH

Bank deposits represent deposits pledged to a bank to secure banking facilities, including bank borrowings granted to the Group (Note 25). These bank deposits are not expected to be released within twelve months from the financial year end and presented as non-current assets.

Bank deposits carry fixed interest rate of 0.25% (2019: 0.25%) per annum as at 30 September 2020.

The remaining bank balances and cash are interest free or at nominal rate.

24 TRADE AND OTHER PAYABLES

	2020 S$	2019 S$ (Restated)
Trade payables	**3,781,615**	4,580,029
Trade accruals	**3,027,342**	5,188,862
Retention payables*	**2,651,181**	3,035,164
	9,460,138	12,804,055
Payroll and CPF payables	**529,954**	1,536,850
Deposits	**72,400**	77,300
Sundry creditors	**293,163**	743,224
GST payable	**52,024**	467,784
Accrued listing expenses	**–**	295,966
Accrued expenses	**244,800**	288,151
Listing expenses payable	**–**	1,363,374
	1,192,341	4,772,649
	10,652,479	17,576,704

* *The retention payables to subcontractors are interest-free and payable after the completion of maintenance period or in accordance with the terms specified in the relevant contracts for a period of generally 12 months after completion of the relevant works. These are classified as current as they are expected to be paid within the Group's normal operating cycle.*

The average credit period on purchases from suppliers is 30 to 60 days or payable on delivery (2019: 30 to 60 days or payable on delivery).

The following is an ageing analysis of trade payables presented based on the invoice date at the end of each reporting period:

	2020 S$	2019 S$ (Restated)
Within 30 days	**2,085,015**	1,318,965
31 days to 60 days	**1,032,106**	1,054,627
61 days to 90 days	**239,608**	1,575,530
Over 90 days	**424,886**	630,907
	3,781,615	4,580,029

25 BANK OVERDRAFTS/BANK BORROWINGS/BANK BORROWINGS HELD UNDER JOINT OPERATIONS

	2020 S$	2019 S$
Bank overdrafts *(Note i)*	**4,982,890**	6,400,549
Bank borrowings – secured and guaranteed *(Note ii)*	**15,543,028**	14,152,020
Analysed as carrying amount repayable:		
Within one year	**2,312,556**	5,290,865
More than one year, but not exceeding two years	**1,738,817**	553,026
More than two years, but not exceeding five years	**5,264,444**	1,772,352
More than five years	**6,227,211**	6,535,777
	15,543,028	14,152,020
Less: Amounts due within one year (shown under current liabilities)	**(2,312,556)**	(5,290,865)
Amounts shown under non-current liabilities	**13,230,472**	8,861,155
Bank borrowings held under joint operations:		
The total mortgage bank loans related to investment properties held under joint operations	**7,443,640**	8,010,422
Proportion of the Group's ownership interest in the mortgage bank loans	**50%**	50%
Group's share of the mortgage bank loans related to investment properties held under joint operations – secured and guaranteed *(Note iii)*	**3,721,820**	4,005,211
Analysed as carrying amount repayable:		
Within one year	**112,305**	99,682
More than one year, but not exceeding two years	**114,940**	104,450
More than two years, but not exceeding five years	**361,215**	343,365
More than five years	**353,958**	500,741
Carrying amount of bank loans that contain a repayment on demand clause:		
Repayable within one year from the end of reporting period*	**180,523**	148,509
Not repayable within one year from the end of reporting period but shown under current liabilities*	**2,598,879**	2,808,464
	3,721,820	4,005,211
Less: Amounts due within one year (shown under current liabilities)	**(2,891,707)**	(3,056,655)
Amounts shown under non-current liabilities	**830,113**	948,556

* *The amounts due are based on scheduled repayment dates set out in the loan agreements.*

25 BANK OVERDRAFTS/BANK BORROWINGS/BANK BORROWINGS HELD UNDER JOINT OPERATIONS *(continued)*

Notes:

(i) Bank overdrafts carry interests at market rates of 5.25% to 5.5% (2019: 5.5%) per annum as at 30 September 2020. The balances are secured and jointly guaranteed by the executive directors of the Company and corporate guarantees provided by the Company and a subsidiary.

(ii) The bank borrowings are secured and guaranteed by:

(a) First legal mortgage over owner-occupied properties and investment properties as set out in Notes 15 and 16;

(b) Joint and several guarantees from the executive directors of the Company in their personal capacities;

(c) Corporate guarantees provided by the Company and a subsidiary; and

(d) Bank deposits pledged to banks to secure banking facilities, including bank overdrafts, granted to the Group, amounting to S$225,951 (2019: S$225,383) as at 30 September 2020 (Note 23).

(iii) The bank borrowings are secured by first legal mortgage over investment properties held under joint operations as set out in Note 17. In addition, joint and several guarantees are provided by the executive directors of the Company and the joint partners.

The weighted average effective interest rates of the borrowings were 4.9% (2019: 4.7%) per annum for the year ended 30 September 2020. The amounts are repayable at various dates throughout to 2037.

26 LEASE LIABILITIES/OBLIGATIONS UNDER FINANCE LEASES

Lease liabilities

	2020 **S$**
Lease liabilities payable:	
Within one year	**2,164,883**
Within a period of more than one year but not exceeding two years	**1,015,435**
Within a period of more than two years but not exceeding five years	**411,271**
Within a period of more than five years	**1,022,196**
	4,613,785
Analysed as:	
Current	**2,164,883**
Non-current	**2,448,902**
	4,613,785

The Group does not face a significant liquidity risk with regard to its lease liabilities. Lease liabilities are monitored within the Group's finance function. The weighted average incremental borrowing rates applied to lease liabilities range from 2.3% to 6.5%.

26 LEASE LIABILITIES/OBLIGATIONS UNDER FINANCE LEASES *(continued)*

Obligations under finance leases

	Minimum lease payments 2019 S$	Present value of minimum lease payments 2019 S$
Amounts payable under finance leases:		
Within one year	905,969	857,067
More than one year, but not exceeding two years	595,809	576,132
More than two years, but not exceeding five years	233,729	224,595
More than five years	12,611	12,447
	1,748,118	1,670,241
Less: Future finance charges	(77,877)	
Present value of lease obligations	1,670,241	
Less: Amounts due for settlement within one year (shown under current liabilities)		(857,067)
Amounts due for settlement after one year		813,174

The Group's obligations under finance leases were secured by the lessor's titled to the leased assets (Note 15) and guarantees provided by the executive directors of the Company.

The average lease term ranged from 2 to 7 years. Interest rates underlying all obligations under finance leases were fixed at respective contract dates. During the year ended 30 September 2019, the effective interest rate charged were ranged from 3.1% to 6.5% per annum.

27 DEFERRED TAX LIABILITIES

	2020	2019
	S$	S$
At beginning of the year	**281,000**	193,000
(Credited)/Charged to profit or loss for the year *(Note 11)*	**(85,188)**	88,000
At end of the year	**195,812**	281,000

The deferred tax liabilities resulted from temporary taxable differences arising from accelerated depreciation in relation to capital allowance claims on qualified assets in accordance with prevailing tax laws in Singapore.

	2020	2019
	S$	S$
Unused tax losses and capital allowances	**4,704,787**	927,666
Other temporary differences	**276,508**	226,344

As at 30 September 2020 and 2019, the Group has unused tax losses and capital allowances and other temporary differences available for offset against future profits. No deferred tax asset has been recognised in respect of such losses and temporary differences due to the unpredictability of future profit streams of the respective group companies. The unrecognised tax losses and capital allowances can be carried forward subject to there being no substantial change in shareholders nor the group companies' principal activities as required by provisions of the Singapore Income Tax Act.

The Group has no other significant unrecognised deferred tax assets for deductible temporary differences at 30 September 2020 and 2019.

28 SHARE CAPITAL/RESERVES

Share capital

For the purpose of presenting the share capital of the Group prior to the Reorganisation in the consolidated statement of financial position, the balances as at 2018 represented the share capital of all companies comprising the Group and that have been incorporated.

	Number of ordinary shares	Par value	Share capital
		HK$	HK$
Authorised share capital of the Company:			
At 1 October 2018	38,000,000	0.01	380,000
Increase on 23 August 2019 *(Note a)*	962,000,000	0.01	9,620,000
At 30 September 2019, 1 October 2019 and 30 September 2020	1,000,000,000	0.01	10,000,000

	Number of ordinary shares	Share capital
		S$
Issued and fully paid of the Company:		
At 1 October 2018	1	–*
Issue of shares pursuant to the Reorganisation *(Note 2(iii))*	2	–*
Issue of shares pursuant to the Reorganisation *(Note 2(iv))*	60	–*
Issue of shares under the Capitalisation issue *(Note a)*	359,999,937	636,480
Issue of shares under the Share Offer *(Note b)*	120,000,000	211,200
At 30 September 2019, 1 October 2019 and 30 September 2020	480,000,000	847,680

* *The amount is less than S$1.*

28 SHARE CAPITAL/RESERVES *(continued)*

Share capital *(continued)*

Notes:

a. *Pursuant to the written resolution of the directors of the Company passed on 23 August 2019, it was resolved that, among other things:*

- *The authorised share capital of the Company was increased from HK$380,000 to HK$10,000,000 by the creation of an additional 962,000,000 shares; and*

- *Conditional on the share premium account of the Company being credited as a result of the Share Offer, the directors of the Company were authorised to capitalise the amount HK$3,599,999 (equivalent to S$636,480) from the amount standing to the credit of the share premium account of the Company by applying such sum to pay up in full at par of 359,999,937 shares, rank pari passu in all respects with all the then existing shares.*

b. *The shares of the Company were successfully listed on the Main Board of the Stock Exchange on 19 September 2019 by way of placing of 108,000,000 shares and public offer of 12,000,000 shares at the price of HK$1.07 per share ("**Share Offer**"), resulting in gross proceeds received by the Company of approximately HK$128.4 million (equivalent to S$22.6 million).*

The net proceeds after deducting the underwriting commissions and expenses paid or payable by the Company in relation to the Share Offer amounted to HK$86.3 million (equivalent to S$15.2 million).

Properties revaluation reserves

The properties revaluation reserves arise from the difference between the carrying amount and the fair value of properties at the date of transfer from property, plant and equipment to investment properties. Where the revalued properties are sold, the portion of the properties revaluation reserves that relate to those assets is effectively realised and is transferred directly to retained earnings.

The properties revaluation reserves are not available for distribution to the Company's shareholders.

	2020 **S$**	2019 S$
At beginning and end of the year	**767,248**	767,248

29 RETIREMENT BENEFIT PLAN

As prescribed by the Central Provident Fund Board of Singapore, the Group's employees employed in Singapore who are Singapore Citizens or Permanent Residents are required to join the CPF scheme. For the year ended 30 September 2020, the Group contributes up to 17% (2019: 17%) of the eligible employees' salaries to the CPF scheme, with each employee's qualifying salary capped at S$6,000 per month (2019: S$6,000 per month).

The total costs charged to profit or loss, amounting to S$562,836 (2019: S$604,781), for the financial year ended 30 September 2020, represent contributions paid to the retirement benefits scheme by the Group.

As at 30 September 2020, contributions of S$78,601 (2019: S$88,615) were accrued. The amounts were paid subsequent to the end of the year.

30 COMMITMENTS

Operating lease commitments

As 30 September 2019, the Group had outstanding commitments under non-cancellable operating leases, which fall due as follows:

	2019 S$
Within one year	375,865
In the second to fifth years, inclusive	302,634
More than five years	1,188,949
	1,867,448

Operating lease payments represented rentals payable by the Group for staff accommodation and its office. Leases were negotiated for an average term of 1 to 25 years and rentals were fixed for an average of 1 to 2 years.

The Group as lessor

The details of rental income earned on buildings and freehold land and investment properties are disclosed in Notes 7, 16 and 17 respectively.

At the end of the reporting period, the Group has contracted with tenants for the following future minimum lease payables:

	2020 S$	2019 S$
Within one year	**241,800**	601,873
In the second year	**74,800**	179,000
In the third year	**–**	22,000
	316,600	802,873

The leases have tenures of 1 to 3 years (2019: 1 to 3 years), with no contingent rent provision included in the contracts.

31 STATEMENT OF FINANCIAL POSITION AND RESERVES OF THE COMPANY

Information about the statement of financial position of the Company at the end of each reporting period is as follows:

	2020 **S$**	2019 S$
ASSETS AND LIABILITIES		
Non-current asset		
Investment in a subsidiary	**–***	–*
Current assets		
Other receivables, deposits and prepayments	**98,675**	123,909
Amounts due from subsidiaries	**11,341,166**	–
Bank balances and cash	**5,969,859**	19,767,615
	17,409,700	19,891,524
Current liabilities		
Other payables	**166,365**	553,202
Amounts due to subsidiaries	**3,227,333**	4,335,350
	3,393,698	4,888,552
Net current assets	**14,016,002**	15,002,972
Total assets less current liabilities, representing net assets	**14,016,002**	15,002,972
EQUITY		
Capital and reserves		
Share capital	**847,680**	847,680
Share premium	**18,742,783**	18,742,783
Accumulated losses	**(5,574,461)**	(4,587,491)
Equity attributable to owners of the Company	**14,016,002**	15,002,972

* *The amount is less than S$1.*

31 STATEMENT OF FINANCIAL POSITION AND RESERVES OF THE COMPANY

(continued)

A summary of the Company's capital and reserves is as follows:

	Share capital S$	Share premium S$	Accumulated losses S$	Total S$
At 1 October 2018	–*	–	(631,200)	(631,200)
Transactions with owner, recognised directly in equity:				
Issue of shares pursuant to the Reorganisation *(Notes 2 and 28)*	–*	–	–	–*
Issue of shares under the Capitalisation issue *(Note 28a)*	636,480	(636,480)	–	–
Issue of shares under the Share Offer *(Note 28b)*	211,200	22,387,200	–	22,598,400
Share issue expenses	–	(3,007,937)	–	(3,007,937)
Total	847,680	18,742,783	–	19,590,463
Loss for the year, representing total comprehensive loss for the year	–	–	(3,956,291)	(3,956,291)
At 30 September 2019	847,680	18,742,783	(4,587,491)	15,002,972
Loss for the year, representing total comprehensive loss for the year	–	–	(986,970)	(986,970)
At 30 September 2020	**847,680**	**18,742,783**	**(5,574,461)**	**14,016,002**

* *The amount is less than S$1.*

32 CAPITAL MANAGEMENT

The Group manages its capital to ensure that it will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance. The Group's overall strategy remains unchanged throughout the reporting period.

The capital structure of the Group consists of debt, which includes bank overdrafts and borrowings and lease liabilities/obligations under finance leases as disclosed in Notes 25 and 26 respectively, net of bank deposits, bank balances and cash and equity attributable to owners of the Group, comprising share capital and reserves.

The management of the Group reviews the capital structure on a regular basis. As a part of this review, the management considers the cost of capital and the risks associated with each class of items in the context of capital structure, and takes appropriate actions to adjust the Group's capital structure. Based on recommendations of the management, the Group will balance its overall capital structure through continuity of funding of cash flows from operating activities or raising new funds.

The Group monitors capital on the basis of gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings plus total lease liabilities less cash and cash equivalents. Total capital is calculated as "Equity" as shown in the consolidated statement of financial position plus net debt.

	2020 **S$**	2019 S$ (Restated)
(Assets)/liabilities		
Bank borrowings	**15,543,028**	14,152,020
Bank borrowings held under joint operations*	**3,721,820**	4,005,211
Bank overdrafts	**4,982,890**	6,400,549
Lease liabilities/obligation under finance lease	**4,613,785**	1,670,241
Pledged bank deposits and cash and cash equivalents	**(10,319,450)**	(21,174,334)
Net debt	**18,542,073**	5,053,687
Total Equity	**41,683,827**	48,771,427
Total Capital	**60,225,900**	53,825,114
Gearing ratio	**30.8%**	9.4%

33 FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT

Categories of financial instruments

	2020 S$	2019 S$ (Restated)
Financial assets		
Amortised cost		
Trade receivables	**6,707,394**	10,649,571
Other receivables and deposits*	**5,389,347**	729,611
Bank balances and cash	**10,093,499**	20,948,951
Bank deposits	**225,951**	225,383
	22,416,191	32,553,516
Fair value through profit or loss	**1,241,426**	–
	23,657,617	32,553,516
Financial liabilities		
Amortised cost		
Trade and other payables**	**10,600,455**	17,108,920
Bank borrowings	**15,543,028**	14,152,020
Bank borrowings held under joint operations	**3,721,820**	4,005,211
Bank overdrafts	**4,982,890**	6,400,549
Lease liabilities/obligation under finance lease	**4,613,785**	1,670,241
	39,461,978	43,336,941

* *Prepayments and advances and GST receivable are excluded.*

** *GST payable are excluded.*

33 FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT *(continued)*

Financial risk management objectives and policies

The Group's major financial instruments include trade receivables, other receivables and deposits, bank deposits, bank balances and cash, financial assets at fair value through profit or loss, trade and other payables, bank borrowings, bank overdrafts and lease liabilities. Details of these financial instruments are disclosed in respective notes to the consolidated financial statements. The risks associated with these financial instruments include market risk (interest rate risk and currency risk), credit risk and liquidity risk. The policies on how to mitigate these risks are set out below. The management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

(a) Market risk

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Management has assessed that there is minimal exposure of interest rate risk on the variable rate of interest incurred on the bank borrowings. The Group is exposed to fair value interest rate risk in relation to fixed-rate lease liabilities/obligation under finance leases and bank deposits. It is the Group's policy to raise borrowings at fixed-rate or variable-rate according to business needs and as to minimise the fair value and cash flow interest rate risk.

The Group currently does not have an interest rate hedging policy. However, the management monitors interest rate risk exposure and will consider interest rate hedging should the need arise.

Interest rate sensitivity

Variable-rate bank borrowings

If interest rates of the variable-rate bank borrowings had been 10 basis points higher or lower and all other variables were held constant, the Group's loss for the year ended 30 September 2020 would increase/decrease by approximately S$19,000 (2019: profit for the year would decrease/increase by approximately S$15,000).

The above analysis is prepared assuming the financial instruments outstanding at the end of the reporting period were outstanding for the whole year.

In the management's opinion, the sensitivity analysis is unrepresentative of the inherent interest risk as the year end exposure does not reflect the exposure during the year.

33 FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT *(continued)*

Financial risk management objectives and policies *(continued)*

(a) Market risk (continued)

Currency risk

The Group has certain bank balances and other payables denominated in HK$, other than the functional currency of the respective group entities, which exposes the Group to foreign currency risk. The Group manages the risk by closely monitoring the movements of the foreign currency rate.

The carrying amounts of the Group's monetary assets and liabilities denominated in foreign currencies at the end of each reporting period are as below:

	2020	2019
	S$	S$
Monetary assets:		
Denominated in HK$	**8,854,117**	19,767,615
Monetary liabilities:		
Denominated in HK$	**33,565**	1,140,748

If the HK$ strengthens/weakens by 10% against the functional currency of the respective group entities, the Group's loss for the year ended 30 September 2020 would increase/decrease by approximately S$882,000 (2019: profit for the year would decrease/increase by approximately S$1,863,000).

In the management's opinion, the sensitivity analysis above is unrepresentative for the currency risk as the exposure at the end of the reporting period does not reflect the exposure during the year.

(b) Credit risk and impairment assessment

Bank balances and cash and bank deposits

Credit risk on bank deposits and bank balances is limited because the counterparties are reputable banks with high credit ratings assigned by international credit agencies. The Group assessed 12m ECL for bank deposits and bank balances by reference to information relating to probability of default and loss given default of the respective credit rating grades published by external credit rating agencies. Therefore, expected credit loss rate of cash at bank is assessed to be close to zero and no provision was made as of 30 September 2020 and 2019.

Included in the Group's financial assets as at 30 September 2020 as a component of bank balances and cash is S$5,969,859 (2019: S$19,767,615) placed in a bank in Hong Kong. The remaining bank balances and cash are placed in 5 banks (2019: 4) in Singapore.

Other than the concentration of credit risk of bank balances and cash in Hong Kong, the Group's concentration of credit risk by geographical location is mainly in Singapore, which accounted for 75% (2019: 39%) of the total financial assets as at 30 September 2020.

33 FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT *(continued)*

Financial risk management objectives and policies *(continued)*

(b) Credit risk and impairment assessment (continued)

Trade receivables and contract assets arising from contract with customers

In order to minimise the concentration of credit risk, the management of the Group has delegated staff responsible for determination of credit limits, credit approvals and other monitoring procedures to ensure follow-up action is taken to recover overdue debts. The management also performs periodic evaluations and customer visits to ensure the Group's exposure to bad debts is not significant and adequate impairment losses are made to irrecoverable amount.

The Group applies the simplified approach to provide for expected credit losses prescribed by IFRS 9, which permits the use of the lifetime expected credit loss provision for all trade receivables and contract assets.

Individual credit evaluations are performed on all customers requiring credit over a certain amount. These evaluations focus on the customer's past history of making payments when due and current ability to pay, and take into account information specific to the customer as well as pertaining to the economic environment in which the customer operates. Trade receivables are due within 30 to 35 days from the date of invoice dates. Normally, the Group does not obtain collateral from customers.

In addition, the Group performs impairment assessment under ECL model on trade receivables and contract assets with significant balances and credit-impaired individually and/or collectively. Except for trade receivables and contract assets balance with significant increase in credit risk, which are assessed for impairment individually, the remaining trade receivables and contract assets are grouped based on reference to the Group's internal credit ratings and aging of outstanding balances. The contract assets have substantially the same risk characteristics as the trade receivables for the same type of contracts. The Group therefore concluded that the loss rates for trade receivables are a reasonable approximation of the loss rates for contract assets. Details of the quantitative disclosures are set out below in this note.

Approximately 66% (2019: 75%) of total trade receivables and contract assets as at 30 September 2020 were due from top 5 customers which exposed the Group to concentration of credit risk. Those five largest customers are with good creditworthiness based on historical settlement record.

Other receivables and deposits

For other receivables and deposits, the management makes periodic individual assessment on the recoverability of other receivables and deposits based on historical settlement records, past experience, and also quantitative and qualitative information that is reasonable and supportive forward-looking information. The management believes that there are no significant increase in credit risk of these amounts since initial recognition and the Group provided impairment based on 12m ECL.

Other than concentration of credit risk on bank balances and cash and on trade receivables and contract assets from top 5 customers as disclosed above, the Group has no other significant concentration of credit risk on other receivables and deposits, with exposure spread over a number of counterparties.

33 FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT *(continued)*

Financial risk management objectives and policies *(continued)*

(b) Credit risk and impairment assessment (continued)

Other receivables and deposits (continued)

At the end of each reporting period, the Group's maximum exposure to credit risk which will cause a financial loss to the Group due to failure to discharge an obligation by the counterparties is arising from the carrying amount of the respective recognised financial assets as stated in the consolidated statement of financial position.

In order to minimise credit risk, the Group has delegated its staff to develop and maintain the Group's credit risk grading to categorise exposures according to their degree of risk of default. The staff uses publicly available financial information and the Group's own historical repayment records to rate its major customers and debtors. The Group's exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties.

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

Category	**Description**	**Trade receivables/ contract assets**	**Other financial assets/ other items**
Performing	The counterparty has a low risk of default and does not have any past-due amounts or the counterparty frequently repays and usually settles after due dates.	Lifetime ECL – non-credit-impaired	12m ECL
Doubtful	There has been a significant increase in credit risk since initial recognition.	Lifetime ECL – non-credit-impaired	Lifetime ECL – non-credit-impaired
In default	There is evidence indicating the asset is credit impaired.	Lifetime ECL – credit-impaired	Lifetime ECL – credit-impaired
Write-off	There is evidence indicating that the debtor is in severe financial difficulty and the Group has no realistic prospect of recovery.	Amount is written off	Amount is written off

The Group applied credit risk modelling of IFRS 9. The Group considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis.

33 FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT *(continued)*

Financial risk management objectives and policies *(continued)*

(b) Credit risk and impairment assessment (continued)

To assess whether there is a significant increase in credit risk, the Group compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition, it considers the forward-looking information is available and reasonable, including below indicators:

– internal credit rating based on historical information;

– actual or expected significant changes in the operating result of the debtors; and

– significant changes in the expected performance and behaviour of the debtors, include changes in the payment status of debtors.

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

	Note	**Internal credit rating**	**12m or lifetime ECL**	**Gross carrying amount** S$	**Loss allowance** S$	**Net carrying amount** S$
At 30 September 2020						
Trade receivables *(Note 1)*	20	Performing	Lifetime ECL non-credit-impaired	2,992,979	(59,892)	2,933,087
		Doubtful	Lifetime ECL non-credit-impaired	3,542,000	(288,768)	3,253,232
		In default	Lifetime ECL credit-impaired	621,345	(100,270)	521,075
				7,156,324	(448,930)	6,707,394
Other receivables and deposits	21	Performing	12m ECL	5,557,159	(167,812)	5,389,347
		In default	Lifetime ECL credit-impaired	14,792	(14,792)	–
				5,571,951	(182,604)	5,389,347
Bank deposits	23	Performing	12m ECL	225,951	–	225,951
Bank balances and cash	23	Performing	12m ECL	10,093,499	–	10,093,499
Contract assets *(Note 1)*	22	Performing	Lifetime ECL non-credit-impaired	13,002,332	(182,224)	12,820,108
		Doubtful	Lifetime ECL non-credit-impaired	2,639,552	(164,718)	2,474,834
		In default	Lifetime ECL credit-impaired	4,444,837	(13,743)	4,431,094
				20,086,721	(360,685)	19,726,036

33 FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT *(continued)*

Financial risk management objectives and policies *(continued)*

(b) Credit risk and impairment assessment (continued)

	Note	Internal credit rating	12m or lifetime ECL	Gross carrying amount S$	Loss allowance S$	Net carrying amount S$
At 30 September 2019 (Restated)						
Trade receivables	20	Performing	Lifetime ECL – non-credit-impaired	10,649,571	–	10,649,571
		In default	Lifetime ECL – credit-impaired	67,495	(67,495)	–
				10,717,066	(67,495)	10,649,571
Other receivables and deposits	21	Performing	12m ECL	729,611	–	729,611
Bank deposits	23	Performing	12m ECL	225,383	–	225,383
Bank balances and cash	23	Performing	12m ECL	20,948,951	–	20,948,951
Contract assets	22	Performing	Lifetime ECL – non-credit-impaired	26,466,568	–	26,466,568
		In default	Lifetime ECL – credit-impaired	9,177	(9,177)	–
				26,475,745	(9,177)	26,466,568

Note:

(1) For trade receivables and contract assets, the Group has applied the simplified approach in IFRS 9 to measure the loss allowance at lifetime ECL.

The Group has assessed and concluded that the expected credit loss for bank deposits and bank balances and cash is immaterial under ECL method based on the Group's assessment on the risk of the default of that counterparty.

33 FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT *(continued)*

Financial risk management objectives and policies *(continued)*

(b) Credit risk and impairment assessment (continued)

The following tables shows the movement in lifetime ECL that has been recognised for trade receivables and contract assets under the simplified approach.

Trade receivables

	Lifetime ECL (not credit impaired) S$	Lifetime ECL (credit impaired) S$	Total S$
As at 1 October 2018	–	–	–
Allowance for expected credit losses recognised	–	67,495	67,495
As at 30 September 2019	–	67,495	67,495
Allowance for expected credit losses recognised	348,661	32,775	381,436
As at 30 September 2020	348,661	100,270	448,931

Contract assets

	Lifetime ECL (not credit impaired) S$	Lifetime ECL (credit impaired) S$	Total S$
As at 1 October 2018	–	–	–
Allowance for expected credit losses recognised	–	9,177	9,177
As at 30 September 2019	–	9,177	9,177
Allowance for expected credit losses recognised	346,942	4,566	351,508
As at 30 September 2020	346,942	13,743	360,685

Other receivables and deposits

	12 months ECL S$	Lifetime ECL (not credit impaired) S$	Lifetime ECL (credit impaired) S$	Total S$
As at 1 October 2018, 30 September 2019 and 1 October 2019	–	–	–	–
Allowance for expected credit losses recognised	167,812	–	14,792	182,604
As at 30 September 2020	167,812	–	14,792	182,604

33 FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT *(continued)*

Financial risk management objectives and policies (continued)

(c) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulties in meeting its financial obligations as and when they fall due. In the management of the liquidity risk, the Group monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the Group's operations and mitigate the effects of fluctuations in cash flows.

Non-derivative financial liabilities

The following table details the Group's remaining contractual maturity for its non-derivative financial liabilities. The table has been drawn up based on the undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on the relevant market rates as at the reporting date) of financial liabilities based on the earliest date on which the Group can be required to pay. The table includes both interest and principal cash flows, where applicable.

	Weighted average interest rate	On demand or within 3 months	3 to 6 months	6 to 12 months	1 to 5 years	Over 5 years	Total undiscounted cash flow	Carrying amount
	%	S$	S$	S$	S$	S$	S$	S$
As at 30 September 2020								
Non-interest bearing								
Trade and other payables	**N/A**	**10,600,455**	**-**	**-**	**-**	**-**	**10,600,455**	**10,600,455**
Interest bearing								
Bank borrowings	**4.9**	**314,080**	**291,141**	**810,955**	**9,176,302**	**8,430,887**	**19,023,365**	**15,543,028**
Bank borrowings held under joint operations	**4.9**	**2,812,648**	**33,246**	**66,493**	**531,941**	**365,710**	**3,810,038**	**3,721,820**
Lease liabilities	**2.3 to 6.5**	**636,750**	**596,526**	**1,045,710**	**1,506,194**	**1,229,991**	**5,015,171**	**4,613,785**
Bank overdrafts	**5.3 to 5.5**	**4,982,890**	**-**	**-**	**-**	**-**	**4,982,890**	**4,982,890**
Total		**19,346,823**	**920,913**	**1,923,158**	**11,214,437**	**10,026,588**	**43,431,919**	**39,461,978**
As at 30 September 2019 (Restated)								
Non-interest bearing								
Trade and other payables	N/A	17,108,920	–	–	–	–	17,108,920	17,108,920
Interest bearing								
Bank borrowings	4.7	4,895,333	288,855	529,032	3,693,464	7,800,883	17,207,567	14,152,020
Bank borrowings held under joint operations	4.7	2,993,352	36,379	72,757	582,055	545,678	4,230,221	4,005,211
Obligations under finance leases	3.1 to 6.5	285,933	393,322	226,714	829,538	12,611	1,748,118	1,670,241
Bank overdrafts	5.5	6,400,549	–	–	–	–	6,400,549	6,400,549
Total		31,684,087	718,556	828,503	5,105,057	8,359,172	46,695,375	43,336,941

33 FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT *(continued)*

Financial risk management objectives and policies *(continued)*

(c) Liquidity risk (continued)

Non-derivative financial liabilities (continued)

The table below summarises the maturity analysis of bank borrowings and bank borrowings held under joint operations with a repayment on demand clause based on the agreed scheduled repayments set out in the loan agreements. The amounts include interest payments computed using the specified interest rates. As a result, these amounts are greater than the amounts disclosed in the "on demand" time band in the maturity analysis above. Taking into account the financial position of the Group and the joint operations, the directors do not consider that it is probable that the bank will exercise its discretion to demand immediate repayment. The directors believe that such bank borrowings will be repaid in accordance with the scheduled repayment dates set out in the loan agreements.

Maturity Analysis – Term loans subject to a repayment on demand clause based on scheduled repayments

	Within 3 months S$	3 to 6 months S$	6 to 12 months S$	1 to 5 years S$	Over 5 years S$	Total undiscounted cash flow S$	Carrying amount S$
As at 30 September 2020	**58,988**	**58,988**	**117,976**	**943,804**	**2,005,583**	**3,185,339**	**2,779,402**
As at 30 September 2019	69,470	67,559	121,662	943,804	2,241,534	3,444,029	2,956,973

Non-derivative financial assets

Except for financial assets at fair value through profit or loss and bank deposits as disclosed in Note 19 and 23, all other financial assets of the Group as at 30 September 2020 and 2019 are non-interest bearing and repayable on demand or due within one year from the end of the reporting period.

(d) Fair value of financial assets and financial liabilities

Fair value of the Group's financial assets and financial liabilities that are measured at fair value on a recurring basis – Keyman life insurance policies (Level 2)

The Group's financial assets at fair value through profit or loss, being keyman life insurance policies as disclosed in Note 19, are measured at fair value as at each reporting date. The fair values are determined from the net cash surrender value, which is based on annual valuation statement provided by the insurer. The value is comparable with similar insurance plans from other insurance providers.

The sensitivity analyses have been determined based on the returned rate of the keyman life insurance. If the return rate of the keyman life insurance has been 5% higher/lower, the post-tax profit for the year ended 30 September 2020 would increase/decrease by S$14,293.

Fair value of the Group's financial assets and financial liabilities that are not measured at fair value on recurring basis

The fair value of financial assets and financial liabilities is determined in accordance with generally accepted pricing model based on discounted cash flow analysis.

The management of the Group considers that the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the consolidated financial statements approximate to their fair values.

34 RELATED PARTY TRANSACTIONS

Related parties in these consolidated financial statements refer to the Group's key management personnel and their close family members as well as entities jointly controlled by the executive directors of the Company.

Some of the Group's transactions and arrangements are with related parties and the effect of these on the basis determined between the parties are reflected in the consolidated financial statements.

Save as disclosed elsewhere in these financial statements, the Group has the following significant transactions carried out with related parties in the ordinary course of business during the year.

Transaction with related parties

Name of the related parties	Nature of transaction	2020 S$	2019 S$
Mr. Poon *(Note (i))*	Rental income	**72,000**	72,000
Mr. Teo *(Notes (i) and (ii))*	Rental income	**60,000**	60,000

Notes:

(i) Mr. Poon acts as the chairman of the Company and Tec Teck Thye acts as chief executive of the Company.

(ii) Mr. Teo resigned with effect from 26 November 2021.

Guarantees from the executive directors

The executive directors of the Company provide personal guarantees for certain banking facilities including bank overdrafts granted to and hire purchases obtained by the Group as detailed in Notes 25 and 26 respectively.

Compensation of key management personnel

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

	2020 S$	2019 S$
Short-term benefits	**1,644,625**	1,797,103
Contributions to CPF	**100,615**	96,687
	1,745,240	1,893,790

35 PARTICULARS OF SUBSIDIARIES

Details of the subsidiaries directly and indirectly held by the Company as at 30 September 2020 and 2019 are set out below:

Name of subsidiary	Place of incorporation/ operation	Paid up issued capital	Group's effective interest (%)		Interest held by the Company (%)		Principal activities
			2020	2019	**2020**	2019	
Builink Holdings Limited	BVI	US$2	**100**	100	**100**	100	Investment holding.
Sing Tec Development Pte. Ltd.	Singapore	S$6,500,000	**100**	100	**100**	100	Provision of civil engineering works, building construction works and property investment.
Sing Tec Construction Pte Ltd	Singapore	S$345,000	**100**	100	**–**	–	Provision of civil engineering works, building construction works and other ancillary services.
Initial Resources Pte. Ltd.	Singapore	S$50,000	**100**	100	**–**	–	Provision of other ancillary services.

None of the subsidiaries has issued any debt securities at end of the year.

36 RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

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

	Bank overdrafts S$	Bank borrowings S$	Lease liabilities S$	Obligations under finance leases S$	Interest payable S$	Dividend payable S$	Amounts due to directors S$	Amounts due to related parties S$	Total S$
At 1 October 2019	5,325,553	18,111,455	–	2,025,766	–	1,609,142	391,943	1,210,882	28,674,741
Financing cash flows	1,074,996	45,776	–	(1,242,046)	(971,067)	(500,000)	(1,189,045)	–	(2,781,386)
Non-cash changes:									
Finance cost recognised *(Note 9)*	–	–	–	–	971,067	–	–	–	971,067
Dividends waived *(Note 13)*	–	–	–	–	–	(1,109,142)	–	–	(1,109,142)
New leases *(Note 15)*	–	–	–	886,521	–	–	–	–	886,521
Settlement arrangement	–	–	–	–	–	–	797,102	(1,210,882)	(413,780)
At 30 September 2019	6,400,549	18,157,231	–	1,670,241	–	–	–	–	26,228,021
Adoption of IFRS 16 *(Note 3)*	–	–	3,015,230	(1,670,241)	–	–	–	–	1,344,989
At 1 October 2019 (Restated)	**6,400,549**	**18,157,231**	**3,015,227**	**-**	**-**	**-**	**-**	**-**	**27,573,007**
Financing cash flows	**(1,417,659)**	**1,107,617**	**(2,043,939)**	**-**	**(1,261,072)**	**-**	**-**	**-**	**(3,615,053)**
Non-cash changes:									
Finance cost recognised *(Note 9)*	**-**	**-**	**-**	**-**	**1,261,072**	**-**	**-**	**-**	**1,261,072**
New leases *(Note 15)*	**-**	**-**	**3,642,497**	**-**	**-**	**-**	**-**	**-**	**3,642,497**
At 30 September 2020	**4,982,890**	**19,264,848**	**4,613,785**	**-**	**-**	**-**	**-**	**-**	**28,861,523**

37 PERFORMANCE BONDS

As at 30 September 2020, performance bonds of S$13,404,520 (2019: S$9,051,174) were given by a bank and insurance companies in favour of the Group's customers as security for the due performance and observance of the Group's obligations under the contracts entered into between the Group and its customers.

If the Group fails to provide satisfactory performance to its customers to whom performance bonds have been given, such customers may demand the respective bank or insurance company to pay to them the sum or sum stipulated in such demand. In the event of the non-performance, the Group will only become liable to compensate such customers for any performance obligations over the performance bond amounts given to them. The performance guarantees will be released upon completion of the contracts.

38 SHARE OPTION SCHEME

Pursuant to a share option scheme approved by a written resolution passed by the sole shareholder of the Company on 23 August 2019 (the "**Share Option Scheme**"), the Company may grant options to eligible directors of the Group, eligible employees of the Group and other selected participants, for the recognition of their contributions, to subscribe for shares ("**Shares**") in the Company with a payment of HK$1 upon each grant of options offered.

The exercise price of the share option shall be not less than the highest of:

(i) the closing price of the Company's shares as stated in the Stock Exchange's daily quotation sheet on the date (the "**Offer Date**") of grant of the particular option, which must be a business day;

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

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

The share options are exercisable at any time during a period of not more than 10 years from the date of grant, subject to the terms and conditions of the Share Option Scheme, or any conditions stipulated by the Board of Directors.

The maximum number of shares in respect of which options may be granted shall not exceed 10% of the number of shares of Company. Unless further shareholders' approval has been obtained pursuant to the conditions set out in the Share Option Scheme, no person shall be granted an option which, if all the options granted to the person (including both exercised and outstanding options) in any 12 months period up to the date of grant are exercised in full, would result in such person's maximum entitlement exceeding 1% of the number of issued shares of Company.

Up to the date of issuance of the consolidated financial statements, no options have been granted or agreed to be granted pursuant to the Share Option Scheme.

During the year ended 30 September 2020, no share options have been granted nor exercised and there is no outstanding share option of the Company as at 30 September 2020.

39 PRIOR YEAR ADJUSTMENTS

In preparing the consolidated financial statements of the Group for the year ended 30 September 2020, the executive Directors had noted errors in accrual of subcontracting costs as at 30 September 2019 causing overstatements of certain subcontracting costs for civil engineering works for the year ended 30 September 2019. As a result, the consolidated financial statements in respect of the year ended 30 September 2019 have been restated to correct those errors identified. It was identified that the final certified value in certain payment certificates were significantly lower than the original amounts accrued as at 30 September 2019. The over-accrual of subcontracting costs as at 30 September 2019 resulted in (i) overstatement of revenue and profits for the year ended 30 September 2019, as the Group recognised revenue from provision of such construction services on an over-time basis using the input method, based on the actual costs incurred by the Group to date compared with the total budget costs for the project to estimate the revenue recognised during the period; and (ii) overstatement of contract assets as at 30 September 2019. The effects of the restatement to the amounts presented in the consolidated statement of financial position as at 30 September 2019 and the consolidated statement of profit or loss and other comprehensive income for the year ended 30 September 2019 are summarised as below:

The corresponding adjustments have resulted in decreases in "Trade and other payables" and "Contract assets", by S$6,298,367 and S$9,780,246 respectively, in the consolidated statement of financial position as at 30 September 2019. The corresponding adjustments have also resulted in decreases in "Revenue" and "Cost of services", by S$9,780,246 and S$6,298,367 respectively, in the consolidated statement of profit or loss and other comprehensive income for the year ended 30 September 2019. The above over-accrual errors were related to the accrued subcontract costs as at 30 September 2019 and therefore no restatement was made to the Group's consolidated statement of financial position as at 1 October 2018.

39 PRIOR YEAR ADJUSTMENTS *(continued)*

The effects of the above restatements are as follow:

Consolidated statement of profit or loss and other comprehensive income
Year ended 30 September 2019

	As previously reported S$	Adjustments S$	As restated S$
Revenue			
Services	96,359,253	(9,780,246)	86,579,007
Rental	512,845	–	512,845
Total revenue	96,872,098	(9,780,246)	87,091,852
Cost of services	(80,020,208)	6,298,367	(73,721,841)
Gross profit	16,851,890	(3,481,879)	13,370,011
Other income	201,167	–	201,167
Other gains and losses	468,027	–	468,027
Administrative expenses	(6,202,129)	–	(6,202,129)
Allowance for expected credit losses on financial assets and contract assets, net	(76,672)	–	(76,672)
Finance costs	(971,067)	–	(971,067)
Listing expenses	(3,774,929)	–	(3,774,929)
Share of result of a joint venture	64,526	–	64,526
Profit before taxation	6,560,813	(3,481,879)	3,078,934
Income tax expense	(1,702,506)	–	(1,702,506)
Profit for the year, representing total comprehensive income for the year	4,858,307	(3,481,879)	1,376,428
Basic and diluted earnings per share (S cents)	1.33	(0.95)	0.38

39 PRIOR YEAR ADJUSTMENTS *(continued)*

Consolidated statement of financial position
As at 30 September 2019

	As previously reported S$	Adjustments S$	As restated S$
Non-current assets			
Property, plant and equipment	17,578,067	–	17,578,067
Investment properties	9,140,000	–	9,140,000
Investment properties held under joint operations	7,020,000	–	7,020,000
Interest in a joint venture	1,134,750	–	1,134,750
Bank deposits	225,383	–	225,383
	35,098,200	–	35,098,200
Current assets			
Trade receivables	10,649,571	–	10,649,571
Other receivables, deposits and prepayments	1,061,031	–	1,061,031
Contract assets	36,246,814	(9,780,246)	26,466,568
Bank balances and cash	20,948,951	–	20,948,951
	68,906,367	(9,780,246)	59,126,121
Current liabilities			
Trade and other payables	23,875,071	(6,298,367)	17,576,704
Contract liabilities	3,275	–	3,275
Income tax payable	1,363,894	–	1,363,894
Bank overdrafts	6,400,549	–	6,400,549
Bank borrowings	5,290,865	–	5,290,865
Bank borrowings held under joint operations	3,056,655	–	3,056,655
Obligations under finance leases	857,067	–	857,067
	40,847,376	(6,298,367)	34,549,009
Net current assets	28,058,991	(3,481,879)	24,577,112
Total assets less current liabilities	63,157,191	(3,481,879)	59,675,312

39 PRIOR YEAR ADJUSTMENTS *(continued)*

Consolidated statement of financial position *(continued)*
As at 30 September 2019 (continued)

	As previously reported S$	Adjustments S$	As restated S$
Non-current liabilities			
Bank borrowings	8,861,155	–	8,861,155
Bank borrowings held under joint operations	948,556	–	948,556
Obligations under finance leases	813,174	–	813,174
Deferred tax liabilities	281,000	–	281,000
	10,903,885	–	10,903,885
Net assets	52,253,306	(3,481,879)	48,771,427
Capital and reserves			
Share capital	847,680	–	847,680
Reserves	51,405,626	(3,481,879)	47,923,747
	52,253,306	(3,481,879)	48,771,427

40 EVENTS AFTER THE END OF THE REPORTING PERIOD

The outbreak of COVID-19 in early 2020 has caused disruptions to many industries globally. Despite the challenges, governments and internal organisations have implemented a series of measures to contain the pandemic. The Singapore government has implemented several phases of circuit breaker and post-circuit breaker recovery measures in order to contain the pandemic, and the Group's existing core business was significantly impacted by these measures, especially due to the halting of almost all its civil engineering works and building construction works since early April 2020.

The Group however does not expect to incur hefty penalties for contract delays in the form of liquidated damages. The Group has also received certain grants and assistance from the Singapore government to help offset some of its fixed costs during this time, primarily relating to its employee wages and foreign worker levies. The Group has insofar adhered to all the requirements set out by the Singapore government, particularly relating to its business operations and in dealing with its foreign workers affected by the dormitory isolations and stay-home notices. The consolidated financial statements for the year ended 30 September 2020 has included the financial effects as a result of the COVID-19 outbreak up to 30 September 2020.

As of the date of authorisation of these financial statements, most of the Group's building construction works and civil engineering works have resumed, albeit at a reduced capacity as compared to pre-pandemic times as some of its foreign workers are still in isolation and due to additional safe distancing measures that will be applied at project sites to prevent a resurgence of the pandemic.

The Group will closely monitor the development of the pandemic and assess its impact on its operations continuously. Given the unpredictability associated with the COVID-19 outbreak and any further contingency measures that may be put in place by the relevant governments and corporate entities, the actual financial impact of the COVID-19 outbreak on the Group's 2021 financial statements could be significantly different from estimates depending on how the situation evolves. Notwithstanding this, the Group will have sufficient liquidity to enable the Group to continue as a going concern for at least the next 12 months from the end of the reporting period.

41 AUTHORISATION FOR ISSUE OF CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements was approved and authorised for issued by the Board of Directors on 24 January 2022.

Summary of Financial Information

A summary of the results and of the assets and liabilities of the Group for the last five financial years is set out as below:

	30 September 2020 S$	30 September 2019 S$	30 September 2018 S$	30 September 2017 S$	30 September 2016 S$
Revenue					
Services	**41,102,421**	86,579,007	83,458,630	59,870,463	44,255,280
Rental	**420,750**	512,845	504,694	477,876	484,302
Total revenue	**41,523,171**	87,091,852	83,963,324	60,348,339	44,739,582
Cost of services	**(43,564,989)**	(73,721,841)	(70,664,483)	(50,625,871)	(36,819,891)
Gross profit	**(2,041,818)**	13,370,011	13,298,841	9,722,468	7,919,691
Other income	**2,624,121**	201,167	290,574	291,947	402,776
Other gains and losses	**286,770**	468,027	733,026	(209,946)	(121,033)
Administrative expenses	**(5,792,829)**	(6,202,129)	(4,916,894)	(4,886,878)	(4,706,825)
Allowance for expected credit losses on financial assets and contract assets, net	**(915,548)**	(76,672)	–	–	–
Finance costs	**(1,261,072)**	(971,067)	(727,879)	(471,181)	(568,596)
Listing expenses	**–**	(3,774,929)	(631,200)	–	–
Share of results of a joint venture	**(55,929)**	64,526	(27,296)	58,090	125,789
(Loss)/profit before taxation	**(7,156,305)**	3,078,934	8,019,172	4,504,500	3,051,802
Income tax credit/(expense)	**68,705**	(1,702,506)	(1,239,284)	(550,000)	(468,842)
(Loss)/profit for the year	**(7,087,600)**	1,376,428	6,779,888	3,954,500	2,582,960
Other comprehensive income:					
Items that will not be reclassified to profit or loss					
Difference between the carrying amount and the fair value of properties at the date of transfer from property, plant and equipment to investment properties	**–**	–	767,248	–	–
Other comprehensive income for the year	**–**	–	767,248	–	–
(Loss)/profit and total comprehensive (loss)/income for the year	**(7,087,600)**	1,376,428	7,547,136	3,954,500	2,582,960

Summary of Financial Information

	30 September 2020 S$	30 September 2019 S$	30 September 2018 S$	30 September 2017 S$	30 September 2016 S$
ASSETS AND LIABILITIES					
Non-current assets	**38,932,904**	35,098,200	35,764,880	34,350,861	26,682,924
Current assets	**42,555,350**	59,126,121	42,934,374	23,753,096	30,193,622
Total assets	**81,488,254**	94,224,321	78,699,254	58,103,957	56,876,546
Non-current liabilities	**16,705,299**	10,903,885	11,817,237	11,978,595	6,793,141
Current liabilities	**23,099,128**	34,549,009	40,186,623	19,837,107	27,749,650
Total liabilities	**39,804,427**	45,452,894	52,003,860	31,815,702	34,542,791
Total equity	**41,683,827**	48,771,427	26,695,394	26,288,255	22,333,755