SEN YUE HOLDINGS LIMITED
森跃控股有限公司

TOWARDS A SUSTAINABLE FUTURE

ANNUAL REPORT
2019

CONTENTS

This annual report has been prepared by the Company and its contents have been reviewed by the Company's sponsor, PrimePartners Corporate Finance Pte. Ltd. (the "**Sponsor**") in accordance with Rules 226(2)(b) and 753(2) of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") Listing Manual Section B: Rules of Catalist.

This annual report has not been examined or approved by the SGX-ST. The SGX-ST assumes no responsibility for the contents of this annual report, including the correctness of any of the statements or opinions made or reports contained in this annual report.

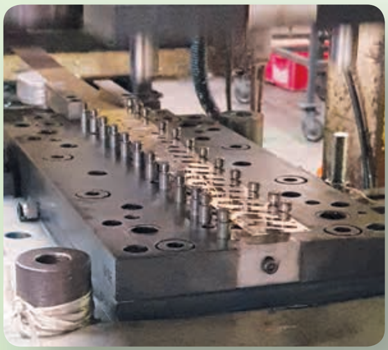
The contact person for the Sponsor is Ms. Gillian Goh, Director, Head of Continuing Sponsorship (Mailing Address: 16 Collyer Quay, #10-00 Income at Raffles, Singapore 049318 and Email: sponsorship@ppcf.com.sg).

CORPORATE **PROFILE**

Sen Yue Holdings Limited (the "**Company**" and together with its subsidiaries, the "**Group**"), commenced operations in 1992 as a tool and die designer and manufacturer; and becoming a specialist Electro Deposition ("**ED**") coating service provider in the subsequent years.

In 2015, the Group expanded its core business activities into the resources industry, i.e. trading of commodities, especially in non-ferrous metals. Specifically, our core businesses now comprise the following:-

- Trading of commodities, including copper, non-ferrous metals and other special alloys;
- Provision of waste management solutions, treatment and recycling of metal scraps, industrial and electronic waste such as lithium-ion batteries (with effect from 2017);
- Trading of moulds used in the manufacture of speaker nets and frames, and other metal components;
- Manufacture and sale of speaker nets and frames, and other metal components; and
- Provision of ED coating, organic coating, powder coating, spray-painting and silk-screening to the manufacturers for automobiles, consumer electronics, motorcycles, bicycle components and iron metal gates.



CHAIRMAN'S **STATEMENT**

DEAR SHAREHOLDERS,

I am pleased to present to shareholders the annual report of Sen Yue Holdings Limited for the financial year ended 30 September 2019 ("**FY2019**").

FY2019 proved to be more challenging as the global trade situation impacted our commodities business and the waste management business. As mentioned in last year's annual report, regional government changes in regulations on commodities industry have further impacted our business activities in commodities trading. As such, business segments in commodities trading and e-waste have impacted the group's earnings. Nevertheless, our prudence in other business segments have reported profits and this allowed the group to report a small profit for FY2019.

In FY2019, our subsidiary SMC Industrial Pte Ltd ("**SMC**") has continued its expansion plans and during the financial year, SMC managed to obtain the approval to build a smelter at its current premises at 3 Jalan Pesawat. While the operations of SMC were affected in FY2019, I would expect that the construction of the smelter will overcome the business and operational challenges that SMC currently faces. The smelter is currently under construction and we have signed an agreement with parties investing in this smelter, which will assist us in managing and preserving our working capital for other businesses. The smelter would complement our existing business of lithium ion battery recycling and add value to the manufacturing process through the smelting and the production of cobalt ingots that can be exported readily. The smelter is expected to be ready by the first half of the financial year ending 30 September 2020 ("**FY2020**").

With prudent management and planning, our operations in Malaysia have achieved a slight increase in revenue and profits in FY2019. Businesses in our Malaysian subsidiaries have remained relatively stable and resilient and we will continue to adopt a prudent strategy in FY2020. We will try to expand our services to existing customers as well as acquire new customers to strengthen our earnings base. The Indonesian markets have also remained stable and our Indonesian subsidiary managed to report higher profits in FY2019 as compared to FY2018. We will continue to exercise prudent financial management in these overseas subsidiaries.

FY2020 will be an important year to our group as SMC has taken various initiatives to beef up its operations and expand its business activities. We have also expanded our business activities in e-waste management, and this segment is expected to require additional financial and other resources. We hope to be able to build up the foundations in these business activities which will be crucial to future positive financial contributions to the group.

For our Malaysian and Indonesian operations, by maintaining our productivity to our existing customers, we hope to improve on our profitability amidst the challenging business environment.

APPRECIATION

On behalf of the board, I would like to take this opportunity to thank all the stakeholders that have supported us throughout the financial year. At the same time, I would like to thank our board of directors for their valuable inputs and providing different perspectives from time to time. I would also like to share my appreciation to our loyal staff.

We would also like to thank our bankers and professional parties who have continued to support us throughout FY2019.

To all our business partners and stakeholders and we look forward to your continued support. Thank you!

Koh Mia Seng
Executive Chairman

REVIEW OF INCOME STATEMENT

The Group's revenue increased mainly due to an increase of revenue in the commodities segment and Electro Deposition ("ED") coating segment.

Gross profit decreased due to higher labour costs in the commodities segment and higher overheads expenses arising from the lithium-ion battery recycling line which has not been able to operate at its optimal level.

Other operating income decreased mainly due to the discontinuation of rental income in the commodities segment.

Other operating expenses decreased mainly due to a decrease in unrealised foreign exchange loss.

Finance cost increased due to additional trade financing and a new bank loan obtained by a Malaysian subsidiary in FY2019.

As a result of the foregoing, the Group registered a profit after tax of $0.02 million in FY2019 as compared to $1.9 million in FY2018.

STATEMENT OF FINANCIAL POSITION

The increase in trade and other receivables was mainly due to higher credit sales to customers towards the end of FY2019 and increase in deposits made to suppliers to secure purchases.

The decrease in inventories was mainly due to better inventory management and hence lower inventories in the commodities segment.

The increase in property, plant and equipment was mainly due to renovation done, purchase of new equipment and upward revaluation of our premises, offset by depreciation charges.

Bank overdrafts, loans and trade bills increased due to a new bank loan obtained by a Malaysian subsidiary and additional trade financing in FY2019.

Trade and other payables remain comparable to 30 September 2018.

Income tax payable decreased mainly due to tax credit and availability of capital allowances brought forward from previous financial years to offset against the estimated chargeable income.

The Group's non-current liabilities mainly due to the reclassification of loan repayable from "non-current liabilities" to "current liabilities".

The Group had a positive working capital of $13.8 million as at 30 September 2019, as compared to $12.4 million as at 30 September 2018 as a result of the above.

CASH FLOW ANALYSIS

Net cash used in investing activities was mainly arising from purchases of plant and equipment, offset by interest received from deposits placed with financial institutions.

Net cash used in financing activities was mainly due to interest paid on bank borrowings, repayment of borrowings and finance leases and an increase in pledged deposits with financial institutions, offset by a new bank loan obtained by a Malaysian subsidiary.

BOARD OF DIRECTORS

Mr. Koh Mia Seng is the Company's Executive Chairman, first appointed as an Executive Director on 3 March 2015. He was re- elected as a Director and Executive Chairman of the Company on 29 January 2019. Mr. Koh founded SMC Industrial Pte Ltd back in the 1980s. Prior to that, he operated a sole-proprietorship dealing with the trading of commodities, including copper, iron and other metallic commodities. Mr. Koh has an in-depth understanding of the business requirements in the commodities and resources industry, and is familiar with the international trends and the environmental concerns of the different countries in the region. Mr. Koh has also guided the growth of the Company to ensure that it complies with safety, environmental and other regulations. With more than 20 years of experience in the resources industry, Mr. Koh has grown and expanded the Group in the resources segment.

Mr. Neo Gim Kiong is the Company's Executive Director and Chief Executive Officer, appointed since 27 April 2015 and was re-elected as a Director of the Company on 29 January 2019. Mr. Neo is responsible for the strategic growth of the company and exploring of new opportunities of growth for the Group. He is also the founding director of Dollar Tree Inc Pte Ltd, a business advisory firm incorporated in Singapore in 2004. Mr. Neo is the lead independent director of International Press Softcom Limited, independent director of Ban Leong Technologies Ltd, independent non-executive chairman of Astaka Holdings Ltd and independent non-executive chairman of Acesian Partners Limited. He was formerly an independent director of Universal Resources and Services Ltd and Trek 2000 International Ltd. He holds a Bachelor of Science Degree in Mathematics with Honours from the National University of Singapore.

Mr. Liew Nyok Wah is the Company's Executive Director, appointed on 3 September 2014 and was re-elected as a Director of the Company on 22 January 2018. Mr. Liew is the founder and managing director of Jackspeed Automobile (S) Pte. Ltd., the first company to bring in ABS (Anti-Lock Braking System) back in the 1980s and also the first company that actively promotes the use of cyclone, an additive which promotes better engine efficiency. In 1993, he co-founded Jackspeed Leather Special (S) Pte. Ltd., a company which subsequently listed on SGX Mainboard in 2003. Mr. Liew is actively involved in exploring new business opportunities and expansion possibilities for the Group.

Mr. Chim Suan Kit Mark is the Company's Lead Independent Non-Executive Director, appointed on 19 April 2018 and was re-elected as a Director of the Company on 29 January 2019. He has more than 25 years of experience working in the Asia Pacific region, primarily engaged in the marketing and distribution of international lifestyle brands in the footwear, carry wear and sportswear categories. His experience also extends to negotiations with brand owners for distribution and franchising rights as well as brand licensing rights to manufacture products in Asia. He is the Managing Director of Primer International Management Ltd. (Hong Kong)/ Primer International Management Pte. Ltd. (Singapore) and director of Primer Holdings Inc. (Philippines) and Primer Seawood Investments Pte. Ltd. He is also the Managing Partner of Practical Support LLP. Mr. Chim has attained a Master of Business (International Marketing) and a Master of Accounting from the Curtin University of Technology, Australia and a Bachelor of Commerce (Economics) from the University of Newcastle, Australia. He is a full member of CPA Australia and Singapore Institute of Directors. In recent times, he completed the INSEAD International Directors Program held in Singapore and France.

Mdm. Yu Lihong is the Company's Independent Non-Executive Director, appointed on 3 September 2014 and was re-elected as a Director of the company on 23 January 2017. She started her career as a journalist at Mediacorp and moved on subsequently to an investment analyst position with Kim Eng Securities Singapore in 2000. In 2012, Mdm. Yu founded Gifted & Talented Education Group which specialises in providing early learning support to gifted children in Singapore and the region. Mdm. Yu graduated from the National University of Singapore, faculty of Business Administration (major in finance) with First Class Honours. She is a fellow of the Association of Chartered Certified Accountants (ACCA, UK), a non-practising member of the Institute of Singapore Chartered Accountants (ISCA, Singapore), and a member of Chartered Financial Analyst (CFA, US).

Mr. Low Ka Choon Kevin is the Company's Independent Non-Executive Director, appointed on 9 April 2015 and was re-elected as a Director of the Company on 22 January 2018. Mr. Low is also the managing director/chief executive officer of International Press Softcom Limited. Prior to 1995, Mr. Low worked as a lawyer in a law firm in Singapore. He holds a Bachelor of Laws (Hons.) degree from the National University of Singapore.

Mr. Lau Yan Wai is the Company's Independent Non-Executive Director and was appointed on 18 December 2019. He also serves as an independent director, chairman of remuneration committee, chairman of nominating committee and member of audit committee of MS Holdings Limited, which is listed on Catalist. Mr. Lau is currently a Partner of Donaldson & Burkinshaw LLP in Singapore and practices in the field of corporate and securities law. Mr. Lau started practice as an associate in the corporate and conveyancing department of Jeyaratnam & Chong, a law firm based in Malaysia in 2003 and left the firm in 2004. He joined Withers KhattarWong LLP, a Singapore law firm as a foreign lawyer in January 2005 and became a partner of the firm in January 2010. From June 2011 to February 2015, Mr. Lau was a partner at RHTLaw Taylor Wessing LLP and from September 2011 to March 2014, Mr. Lau was a registered professional with RHT Capital Pte. Ltd., a continuing sponsor registered with the SGX-ST, where he had undertaken continuing sponsor activities for several companies listed on Catalist. Mr. Lau is a director of Equity Law LLC since March 2014. Mr. Lau graduated with a Bachelor of Laws from the University of Sheffield and a Master of Laws (Chinese Law) from the National University of Singapore. He also holds a Master of Science in Information Systems from the University of Sheffield. Mr. Lau is qualified to practise in Singapore and West Malaysia. Mr. Lau is a member of the Singapore Academy of Law, the Law Society of Singapore and the Malaysian Bar.

KEY MANAGEMENT

Mr. Foo Say Kit is the Divisional Managing Director who is responsible for the overall performance, engineering and technical support of the business units in Peninsular Malaysia & Indonesia. He joined the Group in 2004, where his responsibilities included the exploration and business development with suppliers. Prior to joining the subsidiary, Mr. Foo worked in the HDDs (Hard Disk Drives) related industries such as ED (Electro-Deposition) coating, precision machining and aluminium die casting. Mr. Foo holds a Diploma in Mechanical Engineering and an Advance Diploma in Industrial Engineering from Singapore Polytechnic.

Mr. Goh Leng Chye is the General Manager of the Company's principal subsidiary in Singapore, SMC Industrial Pte Ltd, who is responsible for the overall performance of the subsidiary, including daily operations, marketing and procurement functions. Mr. Goh joined the subsidiary in 2005 and has more than 15 years' experience in dealing with the trading of commodities and in-depth understanding of the business requirements in the metallic commodities industry, as well as extensive technical knowledge in reclaiming, processing and recycling of the metallic and related products.

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

Mr. Pua Kai Chek is the General Manager of the Company's subsidiary in Malaysia who is responsible for the overall performance of the central and northern Peninsular Malaysia business units. He oversees the subsidiaries' marketing, business development activities and daily operations. He has more than 10 years' experience in the metal surface finishing industry. Mr. Pua started his career with a manufacturer of HDDs as a Process Engineer before joining one of the Group's subsidiaries in 2003 as Head of the Engineering Process Department. Mr. Pua graduated from the University of Technology Malaysia in 2002 with an Honours in Bachelor of Chemical Engineering (Bioprocess Engineering).

CORPORATE INFORMATION

AUDIT COMMITTEE

Chim Suan Kit Mark, Chairman
Yu Lihong
Low Ka Choon Kevin
Lau Yan Wai

NOMINATING COMMITTEE

Low Ka Choon Kevin, Chairman
Yu Lihong
Chim Suan Kit Mark
Lau Yan Wai

REMUNERATION COMMITTEE

Yu Lihong, Chairman
Chim Suan Kit Mark
Koh Mia Seng
Low Ka Choon Kevin

REGISTERED OFFICE

3 Jalan Pesawat
Singapore 619361
Tel (65) 6268 9593
Fax (65) 6264 0508

COMPANY SECRETARY

Wee Woon Hong

SHARE REGISTRARS

M & C Services Private Limited
112 Robinson Road #05-01
Singapore 068902

EXTERNAL AUDITORS

Deloitte & Touche LLP
Public Accountants and Chartered Accountants
6 Shenton Way, OUE Downtown 2 #33-00
Singapore 068809
Tsia Chee Wah
(With effect from financial year ended
30 September 2015)

PRINCIPAL BANKERS

CIMB Bank Berhad
Citibank, N.A.
DBS Bank Ltd
Malayan Banking Berhad
The Hongkong and Shanghai Banking Corporation Limited
United Overseas Bank Limited

CONTINUING SPONSOR

PrimePartners Corporate Finance Pte. Ltd.
16 Collyer Quay #10-00
Income at Raffles
Singapore 049318

GROUP STRUCTURE

- 100% **SYH E-Waste Management Pte. Ltd.** (Singapore)
- 100% **SYH Resources Pte. Ltd.** (Singapore)
- 100% **PNE-Sino Pte Ltd** (Singapore)
  - 100% **PT PNE Indonesia** (Indonesia)
  - 100% **PT Le Royaume PNE** (Indonesia)
- 100% **SMC Industrial Pte Ltd** (Singapore)
  - 100% **SMC Industrial (HK) Limited** (Hong Kong)
  - 100% **SMC Industrial (UK) Co Ltd** (United Kingdom)
  - 100% **SMCI Refinery Pte. Ltd.** (Singapore)
- 100% **PNE Micron Engineering Sdn. Bhd.** (Malaysia)
- 100% **PNE Marvellous Sdn. Bhd.** (Malaysia)
- 100% **CED System Sdn. Bhd.** (Malaysia)
- 100% **Hong Nam Industry (M) Sdn. Bhd.** (Malaysia)
- 100% **PNE Micron (Kuala Lumpur) Sdn. Bhd.** (Malaysia)
- 100% **PNE Precision Sdn. Bhd.** (Malaysia)
- 100% **Macore Technology (M) Sdn. Bhd.** (Malaysia)

SUSTAINABILITY STATEMENT

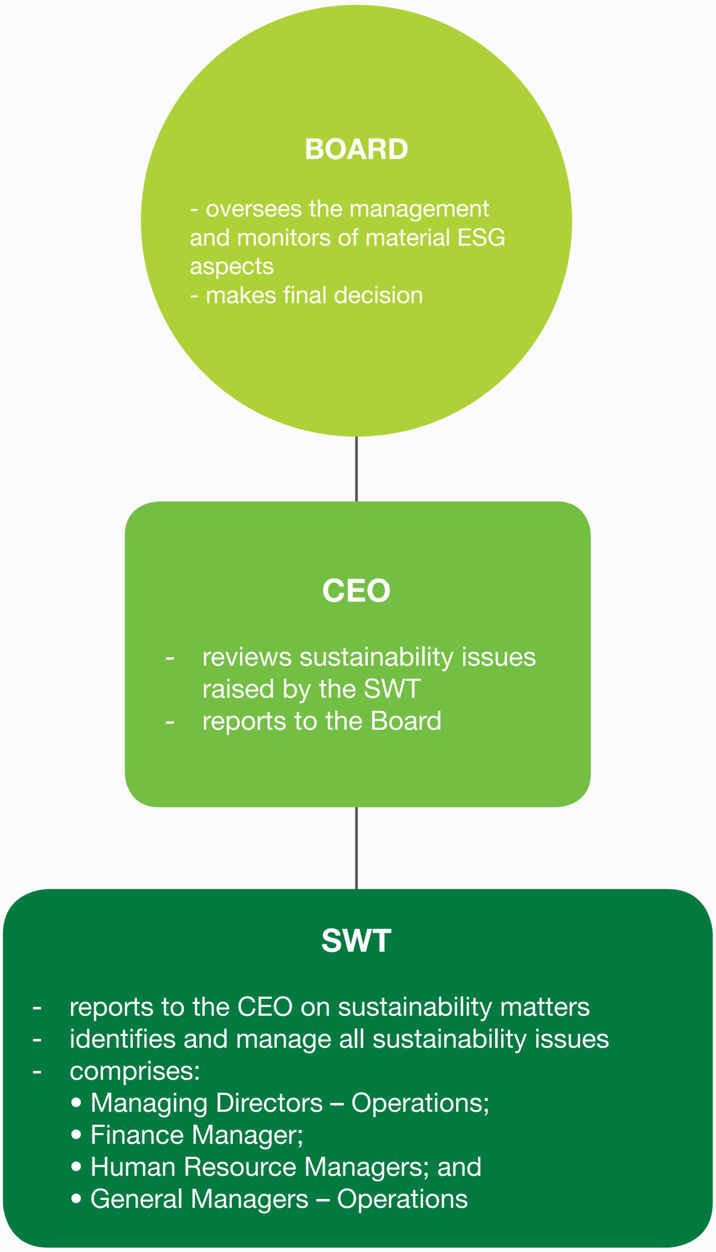
INTRODUCTION

This Sustainability Statement of Sen Yue Holdings Limited and its subsidiaries ("**Group**") covers information for the financial year from 1 October 2018 to 30 September 2019 ("**FY2019**") and the Group's two core operating segments: commodities and e-waste management segment and electro deposition coating service segment. In preparing this statement, we did not engage an independent third party. The selected Environmental, Social and Governance ("**ESG**") factors are based on collective effort done internally within the Group.

We have adopted the Global Reporting Initiatives **("GRI")** Standards Sustainability Reporting Guidelines which is internationally recognized. The following lists out the relevant GRI standards which are the most appropriate for the Group's business model and are applied to this statement:

GRI Standard	Disclosure	Page Reference
GRI 307: Environmental Compliance 2016		
307-1	Non-compliance with environmental laws and regulations	Page 11
GRI 403: Occupational Health and Safety 2018		
403-1	Occupational health and safety management system	Page 12
403-5	Worker training on occupational health and safety	Page 12
403-6	Promotion of worker health	Page 12
403-9	Work-related injuries	Page 12
GRI 404: Training and Education 2016		
404-1	Average hours of training per year per employee	Page 12
404-2	Programs for upgrading employee skills and transition assistance programs	Page 12

The Board of Directors ("**Board**") considers sustainability as part of the Group's strategic formulation, determines the material ESG factors, oversees the management and monitors of the material ESG factors. The Board has delegated its role to a Sustainability Working Team ("**SWT**") to identify and manage all sustainability issues. The SWT reports to the Chief Executive Officer ("**CEO**") on sustainability matters. The CEO will review sustainability issues raised by the SWT before highlighting any potential issues to the Board for deliberation. The Boards then makes final decision.



The sustainability objectives, indicators and key stakeholders of the main aspects of identified ESG factors, used by the SWT in their consideration are:

	Environmental	Social	Governance
Sustainability Objectives	Minimise our impact to the environment as much as practicable	Treat our employees well by looking after their welfare, providing a safe and healthy workplace	Maintain a high standard of corporate governance within the Group
Sustainability Indicators	- Compliance with environmental laws - Compliance with ISO 14001 standard - No hazardous substances contained in materials used for production	- Compliance with laws related to employees and occupational safety and health - Zero fatal accidents at workplace - Minimum 2 training hours to each employee annually	Compliance with principles set out in the Code of Corporate Governance 2012 by the SGX-ST
Key Stakeholders (Internal & External)	Suppliers, customers, employees, regulators	Employees, regulators	Shareholders, investors, employees, regulators

The SWT has performed an analysis of materiality matrix for FY2019 ("**Materiality Matrix**"). The Materiality Matrix has identified eight (8) ESG factors compared to the ten (10) identified in the sustainability report for the financial year ended 30 September 2018. The Materiality Matrix is as follows:

MATERIALITY MATRIX

1 ENVIRONMENTAL

1.1 Resources Management

Maintaining an environmental conscience is an integral aspect of the Group's resources management business. The business revolves around creating a greener eco-system for all, without compromising commercial interests. Our aim is to efficiently manage waste resources in cost-effective yet highly ethical and environmentally beneficial ways.

Besides handling general waste, we are also licensed to manage other waste resources such as industrial hazardous waste, e-waste and lithium-related products. The risks of mismanagement of commercial and industrial waste can result in great adverse impact on human health and the environment, hence they are required to be handled with special precaution and the activity is regulated and subject to the requirements of the environment authorities in every country. In this regard, we have met the licensing requirement in countries which we have operations.

Our resources management business helps us to build a mutually beneficial partnership with our customers and at the same time brings positive impacts to the environment.

1.2 Environmental Management System

We have been awarded ISO 14001:2015 certificates in previous years and they have been renewed upon their expiry dates in 2018. We have an Environmental Management System in place that enables us to systematically monitor material environmental aspects of our business activities. This will help us to achieve our environmental objectives and also ensure that we fully comply with relevant environmental laws and regulations in countries which we have operations.

We target to comply with the ISO 14001 standard for the financial year ending 30 September 2020 **("FY2020")**.

1.3 Raw Materials

We require materials used in production to meet the Restriction of Hazardous Substances ("**RoHS**") compliance which stipulates that the materials do not contain substances that are harmful to the environment. In relation to chemical waste that can contaminate the environment, such as sludge, we only dispose them to licensed contractors which are approved by the relevant environment authorities.

In order to reduce usage of materials in production, various initiatives have been adopted. For example, obsolete materials are reused in production testing. Other materials, if cannot be reused, are then sold as scrap for recycling purposes.

We will continue to use materials that meet the RoHS compliance in our production.

1.4 Waste Water Management

We have Waste Water Treatment Plant ("**WWTP**") to treat water used in production before discharging to the drains outside of our premises. On a regular basis, we monitor the conditions of water discharged by collecting samples and sending them for testing by third party accredited laboratories. We ensure that the conditions of water discharged are acceptable within parameters as required by the relevant governments. Some of the parameters are as follows:

Parameters	Parameter Limit	Compliance in FY2019
Temperature	40° Celsius	√
pH Value	5.5 – 9.0	√
Biochemical Oxygen Demand	50 mg/l	√
Chemical Oxygen Demand	200 mg/l	√

We will continue to monitor the conditions of water discharged to ensure that we do not cause any water pollution to the environment.

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2 SOCIAL

2.1 Occupational Safety and Health

The Group complies with all local laws in respect of occupational safety and health. Our production workers are given safety trainings or briefings on how to handle chemicals and machines. Furthermore, personal protective equipment such as earplugs, safety shoes, respirator, etc are made available for our production workers.

In addition, our employees working in resources management business are also trained in industrial standards of safety and best practices in handling and processing hazardous waste. This is to ensure a safe work environment for employees and the communities at large.

The Group is pleased to announce that no fatalities as a result of work-related injury were recorded during FY2019. We target to maintain the same for FY2020.

2.2 Training and Education

The Group does not have a formal internal training programme but all employees are given on-the-job trainings. Each subsidiary of the Group, taking into consideration skills and experiences of its employees and availability of suitable trainings, makes its own decision on when and what to train its employees on.

On average, the Group has provided 2 to 6 training hours to each employee during FY2019. Trainings held during FY2019 include:

- Effective Leadership, Supervisory & Communication
- 7 Muda – Toyota Production System
- Risk & Opportunity Management
- Forklift Training
- Capital Business Model

Some of our management staff also attended industrial exhibitions in order to expose themselves to new technologies, methods or materials used in the industry. Exhibitions attended during FY2019 include China International E-waste, Battery Recycling, End-of-Life Vehicles Recycling 2019 and Surface Finishing China 2018 (held in December 2018).

The Group targets to provide minimum 2 training hours to each of its employees for FY2020.

2.3 Employee Welfare

The management believes that the relationship amongst our employees can be strengthened by participating in activities. As such, during FY2019, we organised various activities for our employees such as annual dinners, company trip and sports day. Besides, we have also sponsored our employees to participate in events organised by third party organisers such as charity runs and walkathon.

The Group complies with all local laws pertaining to employment such as minimum wage, provident fund and leave provisions. In addition to basic salary, employees also receive other benefits as part of their welfare, such as group PA insurance, medical claim, and transportation, etc. We will continue to comply with laws related to employees for FY2020.

2.4 Corporate Social Responsibility

On ad-hoc basis, the Group has made cash donations for charitable purposes. Organisations that have benefited during FY2019 include Metta Welfare Association and Kampung Senang Charity & Education Foundation.

The Group will continue to undertake corporate social responsibility activities in FY2020 in order to bring a greater positive impact to the community which it operates in.

3 GOVERNANCE

The Board is committed to maintain a high standard of corporate governance within the Group. Key governance issues identified are: risk management, internal controls and investor relations.

Details of the key governance issues above have been discussed in Corporate Governance section on page 14 to page 60 in this Annual Report.

For FY2020, the Group seeks to comply with principles set out in the Code of Corporate Governance 2018 ("**Code 2018**") by the SGX-ST.

CONCLUSION

The Board recognises the importance of sustainability in today's business environment to enhance shareholders' value. Hence, the Board will continue to meet the Group's commitments in achieving its sustainability objectives of the Group.

The Board of Directors (the "**Board**") of Sen Yue Holdings Limited (the "**Company**") are committed to maintaining a high standard of corporate governance within the Company and its subsidiaries (the "**Group**").

This report outlines the Company's main corporate governance practices that were in place through the financial year ended 30 September 2019 ("**FY2019**") with reference to the principles set out in the Code of Corporate Governance 2012 (the "**Code**") and the disclosure guide developed by the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") in January 2015 (the "**Guide**"). The Company has complied with the principles and guidelines as set out in the Code and the Guide, where applicable. Appropriate explanations have been provided in the relevant sections below where there are deviations from the Code and the Guide.

Guidelines of the Code	Sen Yue Corporate Governance Practices

BOARD MATTERS

THE BOARD'S CONDUCT OF AFFAIRS

Principle 1
Every company should be headed by an effective Board to lead and control the company. The Board is collectively responsible for the long-term success of the company. The Board works with Management to achieve this objective and Management remains accountable to the Board.

1.1 The Board's role is to:

(a) provide entrepreneurial leadership, set strategic objectives, and ensure that the necessary financial and human resources are in place for the company to meet its objectives;

(b) establish a framework of prudent and effective controls which enables risks to be assessed and managed, including safeguarding of shareholders' interests and the company's assets;

(c) review management performance;

(d) identify the key stakeholder groups and recognise that their perceptions affect the company's reputation;

(e) set the company's values and standards (including ethical standards), and ensure that obligations to shareholders and other stakeholders are understood and met; and

(f) consider sustainability issues, e.g. environmental and social factors, as part of its strategic formulation.

The principal functions of the Board, apart from its statutory and fiduciary responsibilities, include:-

- protecting and enhancing shareholders' value;
- overseeing the Management of the Group. The Board meets regularly to discharge this obligation;
- determining the overall strategies of the Group as well as policies covering various matters with an emphasis on values, standards, internal controls, budget, financial performance, half-yearly reporting and risk management procedures, as well as environmental issues; and
- reviewing and approving all major investment and divestment proposals, acquisitions and disposal of assets and interested person transactions, if any.

Please refer to Table A set out on page 50 to page 52 of this Annual Report for the composition and primary functions of the Board.

Guidelines of the Code		Sen Yue Corporate Governance Practices
1.2	All directors must objectively discharge their duties and responsibilities at all times as fiduciaries in the interests of the company.	Every Director, in the course of carrying out his or her duties, acts in good faith and considers at all times, the interests of the Group.
1.3	The Board may delegate the authority to make decisions to any Board Committee but without abdicating its responsibility. Any such delegation should be disclosed.	The Board delegates the implementation of business policies and day-to-day operations to the Executive Chairman, Mr Koh Mia Seng, Chief Executive Officer ("**CEO**"), Mr Neo Gim Kiong and the Group's Management team. The Board has established a Nominating Committee ("**NC**"), a Remuneration Committee ("**RC**") and an Audit Committee ("**AC**") (collectively, the "**Board Committees**") to facilitate the discharge of their respective responsibilities. The Board Committees, which operate within clearly defined terms of reference, are actively engaged and play an important role in ensuring good corporate governance of the Group. All recommendations of the Board Committees are subsequently reviewed by the Board. Please refer to Table A set out on page 50 to page 52 of this Annual Report for the composition and primary functions of the Board Committees.
1.4	The Board should meet regularly and as warranted by particular circumstances, as deemed appropriate by the board members. Companies are encouraged to amend their Articles of Association (or other constitutive documents) to provide for telephonic and video-conference meetings. The number of meetings of the Board and Board Committees held in the year, as well as the attendance of every board member at these meetings, should be disclosed in the company's Annual Report.	The Board meets on a half-yearly basis. Additional meetings are also held from time to time as may be required to address any significant matters that may arise. The number of Board and Board Committee meetings and the record of attendance of each Director during FY2019 are set out in Table B at page 52 of this Annual Report. The Company's Constitution (the "**Constitution**") provides for meetings of the Directors to be held by means of telephone conference or other simultaneous communication methods. The Board may conduct conference calls to expedite the decision-making process for critical matters. The Board and Board Committees also approve transactions by way of written resolutions, which are circulated to the Board together with all relevant information regarding the proposed transaction. Dates of Board meetings, Board Committee meetings and Annual General Meetings ("**AGMs**") are scheduled in advance in consultation with all Directors. A Director who is unable to attend the meeting in person is invited to participate in the meeting via telephone or video conference.

Guidelines of the Code	Sen Yue Corporate Governance Practices
1.5 Every company should prepare a document with guidelines setting forth: (a) the matters reserved for the Board's decision; and (b) clear directions to Management on matters that must be approved by the Board. The types of material transactions that require board approval under such guidelines should be disclosed in the company's Annual Report.	The matters which specifically require the Board's approval or guidance are those involving:- ● material acquisitions and disposals of assets exceeding S$250,000; ● material new investments; ● borrowings, corporate or financial restructuring; ● capital expenditure exceeding S$250,000; ● material interested person transactions; ● share issuances, dividends and other returns to shareholders; ● establishment of strategies and objectives; ● setting the Group's budget and financial plans; ● monitoring financial and management performances; ● authorising executive compensation; ● evaluating internal controls and risk management; ● approving half-yearly and year-end financial results announcements; and ● commitments to banking facilities granted by financial institutions and overseeing corporate governance. The Company documents the materiality threshold(s) and matters reserved for board approval in its Financial Accounting Policy.

Guidelines of the Code		Sen Yue Corporate Governance Practices
1.6	Incoming directors should receive comprehensive and tailored induction on joining the Board. This should include his duties as a director and how to discharge those duties, and an orientation program to ensure that they are familiar with the company's business and governance practices. The company should provide training for first-time director in areas such as accounting, legal and industry-specific knowledge as appropriate. It is equally important that all directors should receive regular training, particularly on relevant new laws, regulations and changing commercial risks, from time to time. The company should be responsible for arranging and funding the training of directors. The Board should also disclose in the company's Annual Report the induction, orientation and training provided to new and existing directors.	All newly appointed Directors will undergo an orientation program to get them familiarised with the Group's business, organisation structure, policies and corporate governance practices to facilitate the effective discharge of their duties. The Directors continuously update themselves on new laws, regulations and changing commercial risks. Every Director is also invited and encouraged to seek additional training to further their skills in performing their duties, including attending classes and / or events organised by the Singapore Institute of Directors ("**SID**"). Directors are also informed of upcoming conferences or seminars relevant to their roles as directors of the Company. Such training by all newly appointed and existing Directors are funded by the Company. The Company Secretary (or her representatives) also briefs the Directors on key regulatory changes and updates, while Deloitte & Touche LLP, the Company's external auditors (the "**External Auditors**") briefs the AC on key amendments to the accounting standards. During FY2019, some Directors attended seminars on observing signs of fraud and directing independent investigations, as well as digital finance. The Directors may, at any time, visit the Group's production facilities or attend trade shows and customer activities to gain a better understanding of the Group's business. If regulatory changes have a material impact on either the Group or the Directors, the Management will update the Directors during the Board meetings.
1.7	Upon appointment of each director, the company should provide a formal letter to the director, setting out the director's duties and obligations.	The Company has issued a formal appointment letter and service agreement, to all non-executive directors and executive directors respectively.

Guidelines of the Code	Sen Yue Corporate Governance Practices

BOARD COMPOSITION AND GUIDANCE

Principle 2
There should be a strong and independent element on the Board, which is able to exercise objective judgement on corporate affairs independently, in particular, from Management and 10% shareholders. No individual or small group of individuals should be allowed to dominate the Board's decision making.

Guidelines of the Code	Sen Yue Corporate Governance Practices
2.1 There should be a strong and independent element on the Board, with independent directors making up at least one-third of The Board.	The Board consists of one Executive Chairman, two Executive Directors and four Independent Non-Executive Directors. The Board is able to exercise objective judgement on corporate affairs independently and constructively challenge key decisions, taking into consideration the long-term interests of the Group and its shareholders, as Independent Non-Executive Directors comprise more than 50% of the Board. Further, all Board Committees are chaired by Independent Non-Executive Directors and a majority of the members of the Board Committees are Independent Non-Executive Directors. Please refer to Table A set out on page 50 to page 52 of this Annual Report for the composition of the Board and Board Committees.
2.2 The independent directors should make up at least half of the Board where: (a) the Chairman of the Board (the "**Chairman**") and the CEO (or equivalent) is the same person; (b) the Chairman and the CEO are immediate family members; (c) the Chairman is part of the management team; or (d) the Chairman is not an independent director.	As the Chairman of the Board is part of the Management team and is not an Independent Non-Executive Director, the Company has complied with the Code and ensured that at least half of the Board comprises Independent Non-Executive Directors. The Company has appointed an independent director on 18 December 2019 and therefore is also in compliance with the Code 2018 that independent directors make up a majority of the Board where the Chairman is not independent.

Guidelines of the Code	Sen Yue Corporate Governance Practices
2.3 An "independent" director is one who has no relationship with the company, its related corporations, its 10% shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the director's independent business judgement with a view to the best interests of the company. The Board should identify in the company's Annual Report each director it considers to be independent. The Board should determine, taking into account the views of the NC, whether the director is independent in character and judgement and whether there are relationships or circumstances which are likely to affect, or could appear to affect, the director's judgement. If the Board wishes, in spite of the existence of one or more of these relationships, to consider the director as independent, it should disclose in full the nature of the director's relationship and bear responsibility for explaining why he should be considered independent.	The NC is responsible for reviewing the independence of each Director based on the guidelines set out in the Code. The NC conducts the review annually and requires each Independent Non-Executive Director to submit a confirmation of independence based on the guidelines provided in the Code. Based on the confirmation of independence submitted by the Independent Non-Executive Directors and the results of the NC's review, the NC is of the view that each Independent Non-Executive Director is independent in accordance with the Code and Catalist Rule 406(3)(d) as the Independent Directors and they:- (i) are not employed by the Company or any of its related corporations for the current or any of the past three financial years; or (ii) do not have an immediate family member who is employed or has been employed by the Company or any of its related corporations for the past three financial years, and whose remuneration is determined by the RC. There are no Directors who are deemed independent by the Board, notwithstanding the existence of a relationship in the Code that would otherwise deem him / her not to be independent.
2.4 The independence of any director who has served on the Board beyond nine years from the date of his first appointment should be subject to particularly rigorous review. In doing so, the Board should also take into account the need for progressive refreshing of the Board. The Board should also explain why any such director should be considered independent.	As at 30 September 2019, no Independent Non-Executive Directors on the Board had served for more than nine years from the date of his / her initial appointment.

Guidelines of the Code		Sen Yue Corporate Governance Practices
2.5	The Board should examine its size and, with a view to determining the impact of the number upon effectiveness, decide on what it considers an appropriate size for the Board, which facilitates effective decision making. The Board should take into account the scope and nature of the operations of the company, the requirements of the business and the need to avoid undue disruptions from changes to the composition of the Board and Board Committees. The Board should not be so large as to be unwieldy.	The Board and the NC regularly examine the Board's size and, with a view to determine the impact of the number upon effectiveness, decide on an appropriate size for the Board, taking into account the scope and nature of the Group's operations. The Board and NC also take into account, *inter alia*, the Directors' contributions, areas of expertise and scope of work on an annual basis in evaluating whether the Board's composition is adequate. The Board and NC are satisfied that the current Board's size and composition are appropriate for the Group.
2.6	The Board and its Board Committees should comprise directors who as a group provide an appropriate balance and diversity of skills, experience, gender and knowledge of the company. They should also provide core competencies such as accounting or finance, business or management experience, industry knowledge, strategic planning experience and customer-based experience or knowledge.	The NC periodically reviews the existing attributes and competencies of the Board in order to determine the desired expertise or experience required to strengthen or supplement the Board. This assists the NC in identifying and nominating suitable candidates for appointment to the Board. The NC is satisfied that the Board has the appropriate mix of expertise to lead and govern the Group effectively as the Board's four Independent Non-Executive Directors are respected individuals drawn from a broad-spectrum of expertise which enables them, in their collective wisdom, to contribute effectively and provide a balance of views at both Board and Board Committee meetings. Each Director has been appointed based on his / her caliber and experience and is expected to bring his / her knowledge and experience in his / her field of expertise to contribute to the development of the Group's strategy and the performance of its business. The Board comprises one female and six male directors with diverse backgrounds such as accounting, finance, manufacturing and business management. Details of the Directors' academic and professional qualifications and other appointments are set out on page 4 to page 5 of this Annual Report.

Guidelines of the Code	Sen Yue Corporate Governance Practices
2.7 Non-executive directors should: (a) constructively challenge and help develop proposals on strategy; and (b) review the performance of Management in meeting agreed goals and objectives and monitor the reporting of performance.	The Independent Non-Executive Directors confer regularly with the Executive Directors and Management to develop strategies for the Group, review the performance of Management, assess remuneration and discuss corporate governance matters.
2.8 To facilitate a more effective check on Management, non-executive directors are encouraged to meet regularly without the presence of Management.	The Group's Independent Non-Executive Directors held periodic meetings without the presence of Management in FY2019.

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Principle 3
There should be a clear division of responsibilities between the leadership of the Board and the executives responsible for managing the company's business. No one individual should represent a considerable concentration of power.

3.1 The Chairman and the CEO should in principle be separate persons, to ensure an appropriate balance of power, increased accountability and greater capacity of the Board for independent decision making. The division of responsibilities between the Chairman and the CEO should be clearly established, set out in writing and agreed by the Board. In addition, the Board should disclose the relationship between the Chairman and the CEO if they are immediate family members.	The role of the Chairman is separate from that of the CEO and there is a clear division of responsibilities between the Chairman and CEO. This is to ensure an appropriate balance of power, increased accountability and greater capacity for the Board in terms of independent decision making. The Board is of the view that there is adequate accountability and transparency as Independent Non-Executive Directors make up more than 50% of the Board. The Board is able to exercise its power objectively and independently from Management. No individual or small group of individuals dominates the Board's decision making.
3.2 The Chairman should: (a) lead the Board to ensure its effectiveness on all aspects of its role; (b) set the agenda and ensure that adequate time is available for discussion of all agenda items, in particular strategic issues; (c) promote a culture of openness and debate at the Board;	The Chairman plays a key role in promoting high standards of corporate governance, scheduling meetings that enable the Board to perform its duties, establishing the agenda for the Board meetings in consultation with the CEO and ensuring that the Board reviews and approves the Group's key strategies and policies. The Chairman also participates in communicating with key stakeholders, including shareholders and senior management employees.

Guidelines of the Code	Sen Yue Corporate Governance Practices
(d) ensure that the directors receive complete, adequate and timely information; (e) ensure effective communication with shareholders; (f) encourage constructive relations within the Board and between the Board and Management; (g) facilitate the effective contribution of non-executive directors in particular; and (h) promote high standards of corporate governance.	The CEO's responsibilities encompass managing the day-to-day business activities of the Group, developing and executing the Group's strategies, reporting back to the Board on the performance of the Group, and providing guidance to the Group's employees. The CEO also encourages constructive relations between the Board and Management.
3.3 Every company should appoint an independent director to be the lead independent director where: (a) the Chairman and the CEO is the same person; (b) the Chairman and the CEO are immediate family members; (c) the Chairman is part of the management team; or (d) the Chairman is not an independent director. The lead independent director (if appointed) should be available to shareholders where they have concerns and for which contact through the normal channels of the Chairman, the CEO or the Chief Financial Officer (or equivalent) (the "**CFO**") has failed to resolve or is inappropriate.	Mr Chim Suan Kit Mark is appointed as the Lead Independent Non-Executive Director of the Company as Mr Koh Mia Seng, the Executive Chairman of the Board, is part of the Management team and is not considered independent according to the Code. The Lead Independent Non-Executive Director avails himself to address shareholders' concerns and acts as a counterbalance in the decision making process. Where necessary, the Lead Independent Non-Executive Director will chair meetings without involvement of the Executive Directors and provide feedback to the Chairman of the Board, to aid and facilitate well-balanced viewpoints on the Board.
3.4 Led by the lead independent director, the independent directors should meet periodically without the presence of the other directors, and the lead independent director should provide feedback to the Chairman after such meetings.	The Lead Independent Non-Executive Director has met up with the Independent Non-Executive Directors once in FY2019 before the Board meetings, for discussions in the absence of the Executive Directors.

Guidelines of the Code	Sen Yue Corporate Governance Practices

BOARD MEMBERSHIP

Principle 4
There should be a formal and transparent process for the appointment and re-appointment of directors to the Board.

Guidelines of the Code	Sen Yue Corporate Governance Practices
4.1 The Board should establish a NC to make recommendations to the Board on all board appointments, with written terms of reference which clearly set out its authority and duties. The NC should comprise at least three directors, the majority of whom, including the NC Chairman, should be independent. The lead independent director, if any, should be a member of the NC. The Board should disclose in the company's Annual Report the names of the members of the NC and the key terms of reference of the NC, explaining its role and the authority delegated to it by the Board.	The NC, which terms of reference are approved by the Board, comprises four Independent Non-Executive Directors. The NC meets at least once a year. Please refer to Table A set out on page 50 to page 52 of this Annual Report for the composition and responsibilities of the NC, based on written terms of reference. The Chairman and members of the NC are independent.
4.2 The NC should make recommendations to the Board on relevant matters relating to: (a) the review of board succession plans for directors, in particular, the Chairman and the CEO; (b) the development of a process for evaluation of the performance of the Board, its Board Committees and directors; (c) the review of training and professional development programs for the Board; and (d) the appointment and re-appointment of directors (including alternate directors, if applicable). Important issues to be considered as part of the process for the selection, appointment and re-appointment of directors include composition and progressive renewal of the Board and each director's competencies, commitment, contribution and performance (e.g. attendance, preparedness, participation and candour) including, if applicable, as an independent director. All directors should be required to submit themselves for re-nomination and re-appointment at regular intervals and at least once every three years.	The NC makes recommendations to the Board on all Board appointments and on the composition of Executive and Independent Non-Executive Directors of the Board. It is also charged with re-nominating directors who are retiring by rotation as well as determining annually whether or not a director is independent. In accordance with Regulation 89 of the Constitution, one-third of the Directors (or, if their number is not a multiple of three, the number nearest to but not less than one-third) shall retire from office by rotation at every AGM of the Company. All Directors submit themselves for re-nomination and re-appointment at least once every three years. Any Director appointed by the Board during the financial year shall hold office only until the next AGM. A retiring Director shall be eligible for re-election. The details of the Directors seeking re-election are found in Table C set out on page 53 to page 58 of this Annual Report. The Board recognises the contribution of its Directors who over time have developed deep insight into the Group's operations and industry and who are therefore able to provide invaluable contributions to the Group. As such, the Board has not set a fixed term of office for any of its Directors.

Guidelines of the Code	Sen Yue Corporate Governance Practices
	Guideline 2.4 of the Code provides that the independence of Independent Non-Executive Directors serving for more than nine years should be rigorously reviewed. The Board will take Guideline 2.4 of the Code into account when determining the re-appointment of the Independent Non-Executive Directors.
4.3 The NC is charged with the responsibility of determining annually, and as and when circumstances require, if a director is independent, bearing in mind the circumstances set forth in Guidelines 2.3 and 2.4 and any other salient factors. If the NC considers that a director who has one or more of the relationships mentioned therein can be considered independent, it shall provide its views to the Board for the Board's consideration. Conversely, the NC has the discretion to consider that a director is not independent even if he does not fall under the circumstances set forth in Guideline 2.3 or Guideline 2.4, and should similarly provide its views to the Board for the Board's consideration.	A Director who has no relationship with the Company, its related corporation, its 10% shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the Director's independent business judgement, is considered to be independent. The NC conducts an annual review of Directors' independence based on the guidelines set forth in the Code and is of the view that Mr Chim Suan Kit Mark, Mdm Yu Lihong, Mr Low Ka Choon Kevin and Mr Lau Yan Wai are independent. None of the Independent Directors have served on the Board for more than nine years.
4.4 When a director has multiple board representations, he must ensure that sufficient time and attention is given to the affairs of each company. The NC should decide if a director is able to and has been adequately carrying out his duties as a director of the company, taking into consideration the director's number of listed company board representations and other principal commitments. Guidelines should be adopted that address the competing time commitments that are faced when directors serve on multiple boards. The Board should determine the maximum number of listed company board representations which any director may hold, and disclose this in the company's Annual Report.	All Directors declare their board memberships as and when practicable. The NC has reviewed and is satisfied that all Directors have devoted sufficient time and attention to the affairs of the Group to adequately perform their duties as directors of the Group. In accessing the capacity of the Directors, the NC takes into consideration the expected and / or competing time commitments of the Directors, size and composition of the Board, and nature and scope of the Group's operations and size. The NC is satisfied that the Directors are able to and have adequately carried out their duties as Directors of the Company after taking into consideration the number of listed company Board representations and their principal commitments. Currently, the NC will conduct a rigorous review if any of the Directors hold more than six listed company board representations. The Board and the NC will review the requirement to determine the maximum number of listed board representations as and when they deem fit.

Guidelines of the Code		Sen Yue Corporate Governance Practices
4.5	Boards should generally avoid approving the appointment of alternate directors. Alternate directors should only be appointed for limited periods in exceptional cases such as when a director has a medical emergency. If an alternate director is appointed, the alternate director should be familiar with the company affairs, and be appropriately qualified. If a person is proposed to be appointed as an alternate director to an independent director, the NC and the Board should review and conclude that the person would similarly qualify as an independent director, before his appointment as an alternate director. Alternate directors bear all the duties and responsibilities of a director.	The Company does not have any alternate directors.
4.6	A description of the process for the selection, appointment and re-appointment of directors to the Board should be disclosed in the company's Annual Report. This should include disclosure on the search and nomination process.	When the need for a new director is identified, either to replace a retiring director or to enhance the Board's capabilities, the NC will make recommendations to the Board regarding the identification and selection of suitable candidates based on the desired qualifications, skill sets, competencies and experience, which are required to supplement the Board's existing attributes. If need be, the NC may seek assistance from external search consultants for the selection of potential candidates. Directors and Management may also put forward names of potential candidates, together with their curriculum vitae, for consideration. The NC, after completing its assessment, meets with the short-listed candidates to assess their suitability, before submitting the appropriate recommendations to the Board for approval. For the board nomination process for re-electing incumbent Directors, please refer to Guideline 5.3.

Guidelines of the Code	Sen Yue Corporate Governance Practices
4.7 Key information regarding directors, such as academic and professional qualifications, shareholding in the company and its related corporations, Board Committees served on (as a member or Chairman), date of first appointment as a director, date of last re-appointment as a director, directorships or chairmanships both present and those held over the preceding three years in other listed companies, and other principal commitments, should be disclosed in the company's Annual Report. In addition, the company's annual disclosure on corporate governance should indicate which directors are executive, non-executive or considered by the NC to be independent. The names of the directors submitted for appointment or re-appointment should also be accompanied by details and information to enable shareholders to make informed decisions. Such information, which should also accompany the relevant resolution, would include: (a) any relationships including immediate family relationships between the candidate and the directors, the company or its 10% shareholders; (b) a separate list of all current directorships in other listed companies; and (c) details of other principal commitments.	Details of the Directors' academic and professional qualifications, date of first appointment and other relevant information are set out on page 4 and page 5 of this Annual Report as well as in Table C, on page 53 to page 58.

Guidelines of the Code	Sen Yue Corporate Governance Practices

BOARD PERFORMANCE

Principle 5
There should be a formal annual assessment of the effectiveness of the Board as a whole and its Board Committees and the contribution by each director to the effectiveness of the Board.

Guidelines of the Code	Sen Yue Corporate Governance Practices
5.1 Every Board should implement a process to be carried out by the NC for assessing the effectiveness of the Board as a whole and its Board Committees and for assessing the contribution by the Chairman and each individual director to the effectiveness of the Board. The Board should state in the company's Annual Report how the assessment of the Board, its Board Committees and each director has been conducted. If an external facilitator has been used, the Board should disclose in the company's Annual Report whether the external facilitator has any other connection with the company or any of its directors. This assessment process should be disclosed in the company's Annual Report.	The NC assesses the effectiveness of the Board as a whole, its Board Committees and the contribution of each individual Director to the effectiveness of the Board on an annual basis. Objective performance criteria used to assess the performance of the Board include both quantitative and qualitative criteria. The Board and the NC believe that the financial indicators are mainly used to measure the Management's performance and hence are less applicable to the Directors. No external facilitator was engaged by the Company in FY2019.
5.2 The NC should decide how the Board's performance may be evaluated and propose objective performance criteria. Such performance criteria, which allow for comparison with industry peers, should be approved by the Board and address how the Board has enhanced long-term shareholder value. These performance criteria should not be changed from year to year, and where circumstances deem it necessary for any of the criteria to be changed, the onus should be on the Board to justify this decision.	The NC had conducted the Board's performance evaluation as a whole for FY2019 together with the performance evaluation of the AC, RC and NC. The performance criteria for the Board and Board Committees' evaluation, as determined by the NC, cover the following areas:- 1. Board Composition and Structure; 2. Conduct of Meetings; 3. Corporate Strategy and Planning; 4. Risk Management and Internal Control; 5. Measuring and Monitoring Performance; 6. Training and Recruitment; 7. Compensation; 8. Financial Reporting; 9. Chairman of the Board; 10. Board Committees; and 11. Communicating with Shareholders.

Guidelines of the Code	Sen Yue Corporate Governance Practices
	The abovementioned performance criteria do not change from year to year. The NC Chairman has completed the Board and Board Committees' evaluation forms mentioned above. The completed forms were circulated to the members of NC for their review, comments and discussion. All NC members have abstained from the voting or review process of any matters in connection with the assessment of his / her performance and / or re-nomination as a Director. The NC is satisfied that the Board as a whole and Board Committees had met its performance objectives for FY2019.
5.3 Individual evaluation should aim to assess whether each director continues to contribute effectively and demonstrate commitment to the role (including commitment of time for meetings of the Board and Board Committees, and any other duties). The Chairman should act on the results of the performance evaluation, and, in consultation with the NC, propose, where appropriate, new members to be appointed to the Board or seek the resignation of directors.	The assessment parameters for each Director include their knowledge and abilities, attendance records at the meetings of the Board and Board Committees, and the intensity and quality of participation at meetings. The NC and the Board have relied on the abovementioned parameters to evaluate the Directors' contribution individually and have taken such evaluation into consideration for the re-nomination of the Directors. The replacement of a Director, when it occurs, does not necessarily reflect the Director's performance, but may be driven by the need to align the Board with the needs of the Group.

Guidelines of the Code		Sen Yue Corporate Governance Practices

ACCESS TO INFORMATION

Principle 6
In order to fulfil their responsibilities, directors should be provided with complete, adequate and timely information prior to board meetings and on an on-going basis so as to enable them to make informed decisions to discharge their duties and responsibilities.

6.1	Management has an obligation to supply the Board with complete, adequate information in a timely manner. Relying purely on what is volunteered by Management is unlikely to be enough in all circumstances and further enquiries may be required if the particular director is to fulfil his duties properly. Hence, the Board should have separate and independent access to Management. Directors are entitled to request from Management and should be provided with such additional information as needed to make informed decisions. Management shall provide the same in a timely manner.	The Directors have separate and independent access to the Management and all the Group's records at all times in carrying out their duties. Detailed Board papers and files are prepared and circulated in advance for each meeting. This is to give Directors sufficient time to review the matters to be discussed so that discussions can be more meaningful and productive. Any other matters may also be tabled at the Board meeting and discussed without papers being distributed. The Board papers and files include sufficient information from the Management on financial, operating and corporate issues for Directors to decide on issues presented at the Board and Board Committee meetings. Such information may also be in the form of presentations made by Management in attendance at the meetings, or given by external advisors and consultants engaged on specific projects. The Management provides the Board updates on the developments of the business on a half-yearly basis, with financial information, the explanations on the financial information, and the rationale for the key decisions taken by Management.
6.2	Information provided should include board papers and related materials, background or explanatory information relating to matters to be brought before the Board, and copies of disclosure documents, budgets, forecasts and monthly internal financial statements. In respect of budgets, any material variance between the projections and actual results should also be disclosed and explained.	The Directors are regularly provided with complete, adequate and timely information prior to Board meetings to enable them to fulfil their duties. The Management provides the Board with half-yearly management accounts, as well as half-yearly summary data comparing key financial metrics relative to the budget and results from prior periods. In respect of budgets and financial results, any material variance between the projections and actual results are disclosed and explained.

Guidelines of the Code	Sen Yue Corporate Governance Practices
6.3 Directors should have separate and independent access to the company secretary. The role of the company secretary should be clearly defined and should include responsibility for ensuring that board procedures are followed and that applicable rules and regulations are complied with. Under the direction of the Chairman, the company secretary's responsibilities include ensuring good information flows within the Board and its Board Committees and between Management and non-executive directors, advising the Board on all governance matters, as well as facilitating orientation and assisting with professional development as required. The company secretary should attend all board meetings.	The Directors have separate and independent access to the Company Secretary. The Company Secretary ensures that applicable rules and regulations are complied with and assists the Board in implementing corporate governance practices. The Company Secretary also prepares minutes for all Board meetings and assists the Chairman, the Chairman of each Board Committee and key management personnel in the development of the agendas for the various Board and Board Committee meetings in ensuring good information flows within the Board and its Board Committees and between Management and non-executive directors, advising the Board on all governance matters, as well as facilitating orientation and assisting with professional development, if required. In addition, the Company Secretary (or her representatives), had attended all Board and Board Committee meetings of the Company in FY2019.
6.4 The appointment and the removal of the company secretary should be a matter for the Board as a whole.	The appointment and the removal of the Company Secretary are subject to the Board's approval.
6.5 The Board should have a procedure for directors, either individually or as a group, in the furtherance of their duties, to take independent professional advice, if necessary, and at the company's expense.	All Directors have direct access to the Group's independent professional advisors, as and when necessary, to discharge his / her responsibilities effectively. In addition, the Directors, either individually or as a group, may seek separate independent professional advice, if necessary. The cost of all such professional advice is borne by the Company.

Guidelines of the Code	Sen Yue Corporate Governance Practices

REMUNERATION MATTERS

PROCEDURES FOR DEVELOPING REMUNERATION POLICIES

Principle 7
There should be a formal and transparent procedure for developing policy on executive remuneration and for fixing the remuneration packages of individual directors. No director should be involved in deciding his own remuneration.

Guidelines of the Code	Sen Yue Corporate Governance Practices
7.1 The Board should establish a RC with written terms of reference which clearly set out its authority and duties. The RC should comprise at least three directors, the majority of whom, including the RC Chairman, should be independent. All of the members of the RC should be non-executive directors. This is to minimise the risk of any potential conflict of interest. The Board should disclose in the company's Annual Report the names of the members of the RC and the key terms of reference of the RC, explaining its role and the authority delegated to it by the Board.	The RC, which terms of reference are approved by the Board, comprises three Independent Non-Executive Directors and one Executive Director. The majority of the members, including the Chairman of the RC, are independent. It meets at least once a year. The RC does not comprise wholly of Non-Executive Directors as recommended by the Code, as the Board is of the view that the inclusion of an Executive Director in the RC will facilitate the flow of information between the RC and the Company, when required. Please refer to Table A set out on page 50 to page 52 for the composition and functions of the RC.
7.2 The RC should review and recommend to the Board a general framework of remuneration for the Board and key management personnel. The RC should also review and recommend to the Board the specific remuneration packages for each director as well as for the key management personnel. The RC's recommendations should be submitted for endorsement by the entire Board. The RC should cover all aspects of remuneration, including but not limited to director's fees, salaries, allowances, bonuses, options, share-based incentives and awards, and benefits in kind.	The RC reviews and makes recommendations to the Board on the framework of remuneration packages and policies applicable to the Executive Chairman, CEO, Directors and key management personnel. The RC reviews the remuneration packages and employment contracts of the Executive Chairman, CEO, Directors and key management personnel in order to attract and retain capable executives through competitive compensation. The RC recommends for the Board's endorsement, a framework of compensation that covers aspects of remuneration including Directors' fees, salaries, allowances, bonuses, benefits-in-kind and specific remuneration packages for the Executive Chairman, CEO, Directors and key management personnel.

Guidelines of the Code	Sen Yue Corporate Governance Practices
7.3 If necessary, the RC should seek expert advice inside and / or outside the company on remuneration of all directors. The RC should ensure that existing relationships, if any, between the company and its appointed remuneration consultants will not affect the independence and objectivity of the remuneration consultants. The company should also disclose the names and firms of the remuneration consultants in the annual remuneration report, and include a statement on whether the remuneration consultants have any such relationships with the company.	No remuneration consultants were engaged by the Company during FY2019. The RC and the Board were of the view that the Company does not need to engage remuneration consultants as the remuneration for Executive Directors and the key management personnel are based on their respective existing service agreements. The RC may consider utilising external expert advice and data, as and when necessary, to assist in the evaluation of its compensation recommendations. None of the RC members or Directors is involved in deliberations in respect of any remuneration, compensation or any form of benefit to be granted to him / her or someone related to him / her.
7.4 The RC should review the company's obligations arising in the event of termination of the executive directors' and key management personnel's contracts of service, to ensure that such contracts of service contain fair and reasonable termination clauses which are not overly generous. The RC should aim to be fair and avoid rewarding poor performance.	The RC reviews the Company's obligations arising from termination clauses and termination processes in relation to the Executive Directors' and key management personnel's contracts of service to ensure that such clauses and processes are fair and reasonable.

LEVEL AND MIX OF REMUNERATION

Principle 8
The level and structure of remuneration should be aligned with the long-term interest and risk policies of the company, and should be appropriate to attract, retain and motivate (a) the directors to provide good stewardship of the company, and (b) key management personnel to successfully manage the company. However, companies should avoid paying more than is necessary for this purpose.

8.1 A significant and appropriate proportion of executive directors' and key management personnel's remuneration should be structured so as to link rewards to corporate and individual performance. Such performance-related remuneration should be aligned with the interests of shareholders and promote the long-term success of the company. It should take account of the risk policies of the company, be symmetric with risk outcomes and be sensitive to the time horizon of risks. There should be appropriate and meaningful measures for the purpose of assessing executive directors' and key management personnel's performance.	In reviewing and determining the remuneration packages of the Executive Directors and key management personnel, the RC considers the Executive Directors' and key management personnel's responsibilities, skills, expertise and contribution to the Group's performance when designing their respective remuneration packages. An appropriate proportion of their remuneration is linked to individual and corporate performance and is aligned with the interests of Shareholders. The performance criteria for the Executive Directors and key management personnel have been met for FY2019.

Guidelines of the Code		Sen Yue Corporate Governance Practices
8.2	Long-term incentive schemes are generally encouraged for executive directors and key management personnel. The RC should review whether executive directors and key management personnel should be eligible for benefits under long-term incentive schemes. The costs and benefits of long-term incentive schemes should be carefully evaluated. In normal circumstances, offers of shares or grants of options or other forms of deferred remuneration should vest over a period of time. The use of vesting schedules, whereby only a portion of the benefits can be exercised each year, is also strongly encouraged. Executive directors and key management personnel should be encouraged to hold their shares beyond the vesting period, subject to the need to finance any cost of acquiring the shares and associated tax liability.	The Company had no long-term incentive schemes in place during FY2019.
8.3	The remuneration of non-executive directors should be appropriate to the level of contribution, taking into account factors such as effort and time spent, and responsibilities of the directors. Non-executive directors should not be over-compensated to the extent that their independence may be compromised. The RC should also consider implementing schemes to encourage non-executive directors to hold shares in the company so as to better align the interests of such non-executive directors with the interests of shareholders.	No Independent Non-Executive Directors have service agreements with the Company. They are paid Directors' fees, which are determined by the Board based on the effort, time spent and responsibilities of the Directors (including but not limited to their appointments to the various Board Committees). The Directors' fees of the Independent Non-Executive Directors are subject to approval by Shareholders at each AGM thereby ensuring that their independence is not compromised. Each member of the RC abstains from deliberating on or making recommendations in respect of any proposed amounts to be paid by the Company to him / her. Please see Table D set out on page 59 to page 60 for the schedule of annual fees bands for Independent Non-Executive Directors being proposed to Shareholders.
8.4	Companies are encouraged to consider the use of contractual provisions to allow the company to reclaim incentive components of remuneration from executive directors and key management personnel in exceptional circumstances of misstatement of financial results, or of misconduct resulting in financial loss to the company.	There are currently no incentive schemes on share options or share related payments for the Executive Directors and key management personnel. The Board uses contractual provisions or other measures to reclaim any approved bonuses or other payments from the parties involved should there be any misstatements of financial results, or of misconduct resulting in financial loss to the Group.

Guidelines of the Code	Sen Yue Corporate Governance Practices

DISCLOSURE ON REMUNERATION

Principle 9
Every company should provide clear disclosure of its remuneration policies, level and mix of remuneration, and the procedure for setting remuneration, in the company's Annual Report. It should provide disclosure in relation to its remuneration policies to enable investors to understand the link between remuneration paid to directors and key management personnel, and performance.

Guidelines of the Code	Sen Yue Corporate Governance Practices
9.1 The company should report to the shareholders each year on the remuneration of directors, the CEO and at least the top five key management personnel (who are not also directors or the CEO) of the company. This annual remuneration report should form part of, or be annexed to the company's annual report of its directors. It should be the main means through which the company reports to shareholders on remuneration matters. The annual remuneration report should include the aggregate amount of any termination, retirement and post-employment benefits that may be granted to directors, the CEO and the top five key management personnel (who are not directors or the CEO).	Please refer to Table D set out on page 59 to page 60 for remuneration details for the Directors and top four key management personnel. The Group has only four key management personnel. In FY2019, aggregate post-employment benefits for the Directors, the CEO and the key management personnel was S$89,775.
9.2 The company should fully disclose the remuneration of each individual director and the CEO on a named basis. There should be a breakdown (in percentage or dollar terms) of each director's and the CEO's remuneration earned through base / fixed salary, variable or performance-related income / bonuses, benefits in kind, stock options granted, share-based incentives and awards, and other long-term incentives.	Please refer to Table D set out on page 59 to page 60 for remuneration details for the Directors and the CEO. The Board, taking into consideration the competitive business environment, decided not to disclose the exact details of the remuneration of each individual director. The Company is of the view that detailed disclosure of such information is sensitive and not in the best interest of the company as it may have negative impact on talent attraction and retention.

Guidelines of the Code		Sen Yue Corporate Governance Practices
9.3	The company should name and disclose the remuneration of at least the top five key management personnel (who are not directors or the CEO) in bands of S$250,000. Companies need only show the applicable bands. There should be a breakdown (in percentage or dollar terms) of each key management personnel's remuneration earned through base / fixed salary, variable or performance-related income / bonuses, benefits in kind, stock options granted, share-based incentives and awards, and other long-term incentives. In addition, the company should disclose in aggregate the total remuneration paid to the top five key management personnel (who are not directors or the CEO). As best practice, companies are encouraged to fully disclose the remuneration of the said top five key management personnel.	Please refer to Table D set out on page 59 to page 60 for remuneration bands and details for the top four key management personnel. The Board believes that it is for the benefit of the Company and the Group that the remuneration of key management personnel (who are not Directors of the Company) be kept confidential, due to its sensitive nature and concerns of poaching. As a company with a small and tightly-knit team, such disclosure would be disadvantageous to the Company in relation to its competitors and may affect adversely the cohesion and spirit of team work prevailing amongst the employees of the Company.
9.4	For transparency, the annual remuneration report should disclose the details of the remuneration of employees who are immediate family members of a director or the CEO, and whose remuneration exceeds S$50,000 during the year. This will be done on a named basis with clear indication of the employee's relationship with the relevant director or the CEO. Disclosure of remuneration should be in incremental bands of S$50,000. The company need only show the applicable bands.	Please refer to Table D set out on page 59 to page 60 for remuneration bands and details of employees who are immediate family members of a Director or the CEO and whose remuneration exceeded S$50,000 during FY2019.
9.5	The annual remuneration report should also contain details of employee share schemes to enable their shareholders to assess the benefits and potential cost to the companies. The important terms of the share schemes should be disclosed, including the potential size of grants, methodology of valuing stock options, exercise price of options that were granted as well as outstanding, whether the exercise price was at the market or otherwise on the date of grant, market price on the date of exercise, the vesting schedule, and the justifications for the terms adopted.	The Company had no employee share schemes in place during FY2019.

Guidelines of the Code	Sen Yue Corporate Governance Practices
9.6 For greater transparency, companies should disclose more information on the link between remuneration paid to the executive directors and key management personnel, and performance. The annual remuneration report should set out a description of performance conditions to which entitlement to short-term and long-term incentive schemes are subject, an explanation on why such performance conditions were chosen, and a statement of whether such performance conditions are met.	The Company's remuneration policy is one that seeks to ensure that the remuneration offered is competitive and sufficient to attract, retain and motivate the Executive Directors and key management personnel to achieve the Company's business vision and create sustainable value for its stakeholders. The remuneration policy adopted by the Group comprises a fixed component and a performance-related variable component. The fixed component is in the form of a base salary. The variable component is in the form of a bonus and depends on the relative performance of the Company and the performance of each individual Executive Director and key management personnel, allowing for the alignment of their interests with that of Shareholders. The Executive Directors do not receive additional Directors' fees. The performance criteria used to assess the remuneration of Executive Directors and key management personnel is based on the profitability of the Group, leadership, as well as the Executive Directors' and key management personnel's compliance in all audit matters. There are currently no long-term incentives for the Executive Directors and key management personnel. The Executive Directors' and key management personnel's short-term incentives (namely the performance-related variable component) are recommended by the RC and approved by the Board. For FY2019, the Executive Directors and key management personnel have met the relevant performance conditions. Please refer to Guidelines 8.1 and 8.2 for further details regarding the Executive Directors' and key management personnel's remuneration. The Independent Non-Executive Directors receive Directors' fees, in accordance with their contributions, taking into account factors such as effort, time spent and the individual responsibilities of the respective Directors.

Guidelines of the Code	Sen Yue Corporate Governance Practices

ACCOUNTABILITY AND AUDIT

ACCOUNTABILITY

Principle 10
The Board should present a balanced and understandable assessment of the company's performance, position and prospects.

Guidelines of the Code	Sen Yue Corporate Governance Practices
10.1 The Board's responsibility to provide a balanced and understandable assessment of the company's performance, position and prospects extends to interim and other price sensitive public reports, and reports to regulators (if required).	The Board provides a balanced and understandable assessment of the Group's performance, position and prospects in its annual financial statements and half-yearly and full year results announcements to Shareholders.
10.2 The Board should take adequate steps to ensure compliance with legislative and regulatory requirements, including requirements under the listing rules of the securities exchange, for instance, by establishing written policies where appropriate.	The Board reviews compliance issues, if any, with Management on a half-yearly basis and as and when required.
10.3 Management should provide all members of the Board with management accounts and such explanation and information on a monthly basis and as the Board may require from time to time to enable the Board to make a balanced and informed assessment of the company's performance, position and prospects.	Management provides the Executive Directors with the management accounts on a monthly basis and Independent Non-Executive Directors are updated on half-yearly basis. The Board is of the opinion that the Management provides relevant information on a timely basis, comprehensive half-yearly financial statements and analysis of the results so that the Board can make a balanced and informed assessment of the Company's performance, position and prospects. The Board also provides a negative assurance statement to the Shareholders in respect of the interim financial statements. During FY2019, the CEO and the Group Finance Manager ("**GFM**") have provided assurance to the Board on the integrity of the Group's half-yearly financial statements.

Guidelines of the Code	Sen Yue Corporate Governance Practices

RISK MANAGEMENT AND INTERNAL CONTROLS

Principle 11
The Board is responsible for the governance of risk. The Board should ensure that Management maintains a sound system of risk management and internal controls to safeguard shareholders' interests and the company's assets, and should determine the nature and extent of the significant risks which the Board is willing to take in achieving its strategic objectives.

Guidelines of the Code	Sen Yue Corporate Governance Practices
11.1 The Board should determine the company's levels of risk tolerance and risk policies, and oversee Management in the design, implementation and monitoring of the risk management and internal control systems.	The Board reviews the Group's business and operational activities to identify areas of significant business risk as well as the measures in place to control and mitigate these risks within the Group's policies and business strategies. The risk assessment exercise also includes identifying and assessing key risk areas to the Group such as financial, operational, compliance and information technology risks based on the feedback of the Internal Auditors and External Auditors. The Board also oversees the Management in implementing the risk management and internal controls system. The Board is also responsible for governance of risk management, and determining the Company's levels of risk tolerance and risk policies. The Board consults with the External Auditors and Internal Auditors to determine the risk tolerance level and corresponding risk policies.
11.2 The Board should, at least annually, review the adequacy and effectiveness of the company's risk management and internal control systems, including financial, operational, compliance and information technology controls. Such review can be carried out internally or with the assistance of any competent third parties.	The statutory auditors carry out statutory audits annually in accordance with their audit plan. Control observations noted during their audits and the auditors' recommendations are reported to the AC. The internal audit function is outsourced to an external organisation, Foo Kon Tan Advisory Services Pte. Ltd. for FY2019. They performed their work according to the detailed internal audit scope including focus on operational and financial risks, evaluation of the adequacy of internal control system and application of controls in practice, and making appropriate recommendations for improvements to the Group. The internal controls of the Group provide reasonable assurance that the Group will not be adversely affected by any event that could be reasonably foreseen as it strives to achieve its business objectives. The Board also recognises that no system of internal control or risk management can provide absolute assurance against the occurrence of errors, poor judgement in decision-making, losses, frauds or other irregularities.

Guidelines of the Code	Sen Yue Corporate Governance Practices
11.3 The Board should comment on the adequacy and effectiveness of the internal controls, including financial, operational, compliance and information technology controls, and risk management systems, in the company's Annual Report. The Board's commentary should include information needed by stakeholders to make an informed assessment of the company's internal control and risk management systems. The Board should also comment in the company's Annual Report on whether it has received assurance from the CEO and the CFO: (a) that the financial records have been properly maintained and the financial statements give a true and fair view of the company's operations and finances; and (b) regarding the effectiveness of the company's risk management and internal control systems.	Based on internal controls established and maintained by the Group, the works performed by the Internal Auditors and External Auditors, and the reviews performed by Management and the AC, the Board, with the concurrence of the AC, is of the opinion that the Group's internal controls, including financial, operational, compliance and information technology controls, and risk management systems are adequate and effective during FY2019. The Board met three times in FY2019 and have continuously updated the AC on the developments of the Company. The finance team of Malaysia and Indonesia subsidiaries is led by the GFM who reports to the CEO. The finance staff of SMC Industrial Pte Ltd and SYH Resources Pte. Ltd. reports to the Executive Chairman, with assistance of the outsourced Finance Consultant ("**FC**"). The CEO and the GFM together with the FC, have also assured the Board that internal controls are in place and updated the Board on the internal controls measures taken during FY2019. Discussion between Internal Auditors, External Auditors and the AC in the absence of the Management have also further reassured the AC that for FY2019, the internal controls established are maintained for the operations of the business. The Board has also received assurance from the CEO and GFM in FY2019 that:- (a) The financial records have been properly maintained and the financial statements give a true and fair view of the company's operations and finances; and (b) The Company's risk management and internal control systems are effective.
11.4 The Board may establish a separate board risk committee or otherwise assess appropriate means to assist it in carrying out its responsibility of overseeing the company's risk management framework and policies.	The Company manages risks under an overall strategy determined by the Board and supported by the AC, RC and NC. The Company sets acceptable risk management standards and periodically reviews the risks that the Group is subject to.

Guidelines of the Code	Sen Yue Corporate Governance Practices

AUDIT COMMITTEE

Principle 12
The Board should establish an AC with written terms of reference which clearly set out its authority and duties.

12.1 The AC should comprise at least three directors, the majority of whom, including the AC Chairman, should be independent. All of the members of the AC should be non-executive directors. The Board should disclose in the company's Annual Report the names of the members of the AC and the key terms of reference of the AC, explaining its role and the authority delegated to it by the Board.	The AC comprises four members, all of whom are Independent Non-Executive Directors. The AC members are appropriately qualified to discharge their responsibilities and functions under the terms of reference approved by the Board. Please refer to Table A set out on page 50 to page 52 for the composition and the main functions of the AC.
12.2 The Board should ensure that the members of the AC are appropriately qualified to discharge their responsibilities. At least two members, including the AC Chairman, should have recent and relevant accounting or related financial management expertise or experience, as the Board interprets such qualification in its business judgement.	The Board is satisfied that the members of the AC are appropriately qualified to discharge their responsibilities. Mr Chim Suan Kit Mark, the Chairman of the AC, Mdm Yu Lihong, Mr Low Ka Choon Kevin and Mr Lau Yan Wai are trained in accounting and financial management.
12.3 The AC should have explicit authority to investigate any matter within its terms of reference, full access to and co-operation by Management and full discretion to invite any director or executive officer to attend its meetings, and reasonable resources to enable it to discharge its functions properly.	The AC has explicit authority to investigate any matter within its terms of reference and has full access to and co-operation of the Management and full discretion to invite any Director or key management personnel to attend its meetings. The AC has reasonable resources to enable it to discharge its duties properly.

Guidelines of the Code	Sen Yue Corporate Governance Practices
12.4 The duties of the AC should include: (a) reviewing the significant financial reporting issues and judgements so as to ensure the integrity of the financial statements of the company and any announcements relating to the company's financial performance; (b) reviewing and reporting to the Board at least annually the adequacy and effectiveness of the company's internal controls, including financial, operational, compliance and information technology controls (such review can be carried out internally or with the assistance of any competent third parties); (c) reviewing the effectiveness of the company's internal audit function; (d) reviewing the scope and results of the external audit, and the independence and objectivity of the external auditors; and (e) making recommendations to the Board on the proposals to the shareholders on the appointment, re-appointment and removal of the external auditors, and approving the remuneration and terms of engagement of the external auditors.	The AC meets at least on a half-yearly basis to review the half-yearly and full year results of the Group and the audited annual financial statements, SGXNET announcements and all related disclosures to shareholders before recommending the same to the Board for approval. In the process, the AC reviews the basis and reasoning of the Management in the preparation of the financial statements, critical accounting policies and any significant changes that would have an impact on the Company's financials. The AC evaluates on a yearly basis the adequacy and effectiveness of the internal controls including financial, operational, compliance and information technology controls and regulatory compliance of the Group through discussion with Management and its Internal and External Auditors. Please refer to Guidelines 13.1 and 13.2. The AC reviews the scope of the External Auditors' audit plan and the effectiveness of the results from the independent audit. The AC also reviews the independence and objectivity of the External Auditors as well as the Group's compliance with Section B: Rules of the Catalist of the SGX-ST (the "**Catalist Rules**"), the Code, as well as interested person transactions and whistleblowing reports, if any. The AC recommends to the Board the appointment, re-appointment and removal of External Auditors, and approves the remuneration and terms of engagement of the External Auditors.
12.5 The AC should meet (a) with the external auditors, and (b) with the internal auditors, in each case without the presence of Management, at least annually.	The AC meets with the Internal Auditors and External Auditors separately, at least once a year, without the presence of the Management to review any matters that might have arisen. The AC met with the External Auditors and Internal Auditors once without the presence of Management in FY2019.

Guidelines of the Code	Sen Yue Corporate Governance Practices
12.6 The AC should review the independence of the external auditors annually and should state (a) the aggregate amount of fees paid to the external auditors for that financial year, and (b) a breakdown of the fees paid in total for audit and non-audit services respectively, or an appropriate negative statement, in the company's Annual Report. Where the external auditors also supply a substantial volume of non-audit services to the company, the AC should keep the nature and extent of such services under review, seeking to maintain objectivity.	In FY2019, audit fees were approximately S$268,000 and there was no non-audit fee paid to the Company's External Auditors, Deloitte & Touche LLP. In compliance with Rule 1204(6)(b) of the Catalist Rules, the AC undertook the annual review of the independence and objectivity of the External Auditors by reviewing the non-audit services provided and the fees paid to them, if any. It is the opinion of the AC that the nature and extent of non-audit services provided by the External Auditors do not affect the independence and objectivity of the External Auditors, and has recommended the re-appointment of the External Auditors at the forthcoming AGM. Deloitte & Touche LLP and its member firms are the auditors of all the Company's Singapore incorporated subsidiaries and foreign-incorporated subsidiaries. The Board and AC are of the view that the Company has complied with Catalist Rules 712 and 715 in relation to its External Auditors.
12.7 The AC should review the policy and arrangements by which staff of the company and any other persons may, in confidence, raise concerns about possible improprieties in matters of financial reporting or other matters. The AC's objective should be to ensure that arrangements are in place for such concerns to be raised and independently investigated, and for appropriate follow-up action to be taken. The existence of a whistle-blowing policy should be disclosed in the company's Annual Report, and procedures for raising such concerns should be publicly disclosed as appropriate.	The Group has established a whistleblowing policy which provides the channel for employees of the Group and external parties to raise their concerns about improprieties in financial reporting or other matters to the AC Chairman or CEO, in good faith and in confidence, sending their mails directly to the Company's registered address, if any. There were no whistleblowing reports received in FY2019. The procedures for whistle blowing are displayed clearly on the notice boards of the Company and its subsidiaries where staff can call or email the CEO directly on all matters not related to the CEO, and they have access to the Lead Independent Non-Executive Director for matters relating to the CEO or as they deem appropriate. The follow up procedures regarding matters raised are also stated and whistleblowers are assured that all actions in good faith will not affect them in their work and staff appraisals.
12.8 The Board should disclose a summary of all the AC's activities in the company's Annual Report. The Board should also disclose in the company's Annual Report measures taken by the AC members to keep abreast of changes to accounting standards and issues which have a direct impact on financial statements.	Please refer to the Group's practices in Guidelines 1.6 and 12.4.

Guidelines of the Code	Sen Yue Corporate Governance Practices
12.9 A former partner or director of the company's existing auditing firm or auditing corporation should not act as a member of the company's AC: (a) within a period of 12 months commencing on the date of his ceasing to be a partner of the auditing firm or director of the auditing corporation; and in any case (b) for as long as he has any financial interest in the auditing firm or auditing corporation.	None of the AC members were previous partners or directors of the existing auditing firms within the previous 12 months and none of the AC members hold any financial interest in the above-mentioned auditing firms.

INTERNAL AUDIT

Principle 13
The company should establish an effective internal audit function that is adequately resourced and independent of the activities it audits.

13.1 The Internal Auditor's primary line of reporting should be to the AC Chairman although the Internal Auditor would also report administratively to the CEO. The AC approves the hiring, removal, evaluation and compensation of the head of the internal audit function, or the accounting / auditing firm or corporation to which the internal audit function is outsourced. The Internal Auditor should have unfettered access to all the company's documents, records, properties and personnel, including access to the AC.	The AC, in consultation with Management, approves the hiring, removal, evaluation and the fees of the Internal Auditors. The Internal Auditors have unfettered access to all the Group's documents, records, personnel and the AC. The internal audit function of the Group was out-sourced to Foo Kon Tan Advisory Services Pte. Ltd. in FY2019. The Internal Auditors report primarily to the AC Chairman and has unrestricted access to documents, records, properties and personnel of the Group.
13.2 The AC should ensure that the internal audit function is adequately resourced and has appropriate standing within the company. For the avoidance of doubt, the internal audit function can be in-house, outsourced to a reputable accounting / auditing firm or corporation, or performed by a major shareholder, holding company or controlling enterprise with an internal audit staff.	The Board recognises the importance of maintaining a system of internal controls, procedures and processes for the Group to safeguard the shareholders' investments and the Group's assets. The Management is responsible for establishing and implementing the internal control procedures in a timely and appropriate manner. For example, the key features of the internal control environment include having clear and defined terms of reference for Board Committees, assigning authority and responsibility in accordance with an authority matrix and written internal control procedures. The role of the Internal Auditors is to assist the AC in ensuring that the controls are adequate, effective and functioning as intended, to undertake investigations as directed by the AC and to conduct regular in-depth audits of high risk areas. The AC is satisfied that the internal audit function is independent, adequately resourced and has the appropriate standing within the Company to perform its function effectively.

Guidelines of the Code	Sen Yue Corporate Governance Practices
13.3 The internal audit function should be staffed with persons with the relevant qualifications and experience.	The AC is satisfied that the internal audit function is staffed by suitably qualified and experienced professionals.
13.4 The Internal Auditor should carry out its function according to the standards set by nationally or internationally recognised professional bodies including the Standards for the Professional Practice of Internal Auditing set by The Institute of Internal Auditors.	Foo Kon Tan Advisory Services Pte. Ltd. is a member of the Institute of Internal Auditors ("**IIA**"). The internal audit work carried out is guided by the International Standards for the Professional Practice of Internal Auditing set by IIA.
13.5 The AC should, at least annually, review the adequacy and effectiveness of the internal audit function.	The internal audit function plans its internal audit schedules in consultation with, but independent of the Management. The audit plan is submitted to the AC for approval prior to the commencement of the internal audit work. In addition, the Internal Auditors may be involved in ad-hoc projects initiated by the Management which require the assurance of the Internal Auditors in specific areas of concerns. Please refer to Guidelines 13.1 and 13.2 above on the adequacy and effectiveness of the internal audit function.

SHAREHOLDER RIGHTS AND RESPONSIBILITIES

SHAREHOLDERS RIGHTS

Principle 14
Companies should treat all shareholders fairly and equitably, and should recognise, protect and facilitate the exercise of shareholders' rights, and continually review and update such governance arrangements.

14.1 Companies should facilitate the exercise of ownership rights by all shareholders. In particular, shareholders have the right to be sufficiently informed of changes in the company or its business which would be likely to materially affect the price or value of the company's shares.	The Company has adopted half-yearly results reporting since the half year ended 31 March 2002. In line with the Group's disclosure obligations pursuant to the Catalist Rules and the Companies Act, Chapter 50 of Singapore (the "**Act**"), the Board's policy is that all Shareholders should be informed simultaneously in an accurate and comprehensive manner for all material developments that impact the Group via SGXNET on an immediate basis.

Guidelines of the Code	Sen Yue Corporate Governance Practices
14.2 Companies should ensure that shareholders have the opportunity to participate effectively in and vote at general meetings of shareholders. Shareholders should be informed of the rules, including voting procedures, that govern general meetings of shareholders.	At general meetings, Shareholders are given the opportunity to raise questions to the Directors and the Management relating to the Company's business or performance. The Chairpersons of the AC, NC and RC, as well as the External Auditors, are present to assist the Directors in addressing any relevant queries raised by Shareholders. Shareholders are also informed of the voting procedures prior to the commencement of voting by poll.
14.3 Companies should allow corporations which provide nominee or custodial services to appoint more than two proxies so that shareholders who hold shares through such corporations can attend and participate in general meetings as proxies.	The Constitution also allows an individual Shareholder to appoint not more than two proxies to attend and vote on his or her behalf at the general meetings. In line with the amendments to the Act, the Constitution allows corporate Shareholders of the Company which provide nominee or custodial services to third parties to appoint more than two proxies to attend and vote on their behalf at general meetings. A Shareholder who holds his / her shares via The Central Depository (Pte) Limited ("**CDP**") and whose name has registered with CDP seventy-two hours before the AGM, has to submit his / her duly executed instrument appointing a proxy, at the Company's Share Registrar, M & C Services Private Limited, at 112 Robinson Road, #05-01, Singapore 068902 not less than forty-eight hours before the time appointed for holding the AGM. In the event that the Shareholder's name does not appear on the CDP's register at least seventy-two hours before the AGM, he / she will not be entitled to appoint a proxy to attend the AGM even if the proxy form is deposited at least forty-eight hours before the time appointed for holding the AGM.

Guidelines of the Code	Sen Yue Corporate Governance Practices

COMMUNICATION WITH SHAREHOLDERS

Principle 15
Companies should actively engage their shareholders and put in place an investor relations policy to promote regular, effective and fair communication with shareholders.

Guidelines of the Code	Sen Yue Corporate Governance Practices
15.1 Companies should devise an effective investor relations policy to regularly convey pertinent information to shareholders. In disclosing information, companies should be as descriptive, detailed and forthcoming as possible, and avoid boilerplate disclosures.	The Company does not have an Investor Relations Policy in place. However, the Board's policy is that all Shareholders should be informed simultaneously in an accurate and comprehensive manner regarding all material developments that impact the Group via SGXNET on an immediate basis, in line with the Group's disclosure obligations pursuant to the Catalist Rules and the Act. There is no dedicated investor relations team in place as the Board is of the view that the current communication channels are sufficient and cost-effective. Shareholders of the Company receive the annual reports and notices of AGMs which are also advertised in the newspapers within the prescribed deadlines prior to the AGMs. The Board encourages shareholders' participation at the AGMs and periodically communicates with Shareholders through SGXNET throughout the financial year. Similarly, Shareholders receive the circulars and notices of Extraordinary General Meetings ("**EGMs**") which are advertised in the newspapers within the prescribed deadlines prior to the EGMs.
15.2 Companies should disclose information on a timely basis through SGXNET and other information channels, including a well-maintained and updated corporate website. Where there is inadvertent disclosure made to a select group, companies should make the same disclosure publicly to all others as promptly as possible.	The Company does not practice selective disclosure of material information. The Group makes all necessary disclosures to Shareholders and the public via SGXNET.
15.3 The Board should establish and maintain regular dialogue with shareholders, to gather views or inputs, and address shareholders' concerns.	Both Executive and Independent Non-Executive Directors meet or speak with Shareholders, primarily through general meetings of Shareholders, to gather their views and address concerns.
15.4 The Board should state in the company's Annual Report the steps it has taken to solicit and understand the views of the shareholders e.g. through analyst briefings, investor roadshows or Investors' Day briefings.	Please refer to the Group's practices set out in Guideline 15.3.

Guidelines of the Code	Sen Yue Corporate Governance Practices
15.5 Companies are encouraged to have a policy on payment of dividends and should communicate it to shareholders. Where dividends are not paid, companies should disclose their reasons.	The Company does not have a fixed dividend policy at present. The issue of payment of dividends is deliberated by the Board annually, having regards to various factors (e.g. Company's profit, cash flow, capital requirements for investment and growth, general business conditions and other factors as the Board deems appropriate). The Board has not declared or recommended a dividend for FY2019 in order to conserve cash for future operations in view of prevailing business conditions of the Group.

CONDUCT OF SHAREHOLDER MEETINGS

Principle 16
Companies should encourage greater shareholder participation at general meetings of shareholders, and allow shareholders the opportunity to communicate their views on various matters affecting the company.

16.1 Shareholders should have the opportunity to participate effectively in and to vote at general meetings of shareholders. Companies should make the appropriate provisions in their Articles of Association (or other constitutive documents) to allow for absentia voting at general meetings of shareholders.	Accompanying the notice of AGM and EGM, is a proxy form, so that (i) Shareholders who are individuals may appoint up to two proxies; and (ii) Shareholders which are intermediaries (such as banks and capital markets services licence holders) providing custodial services may appoint more than two proxies to attend on their behalf, should Shareholders be unable to personally attend the meetings. Voting in absentia, which is currently not permitted, may only be possible following careful study to ensure that the integrity of information and authentication of the identity of Shareholders through the web are not compromised, and legislative changes are effected to recognise remote voting.
16.2 There should be separate resolutions at general meetings on each substantially separate issue. Companies should avoid "bundling" resolutions unless the resolutions are interdependent and linked so as to form one significant proposal.	The Company has separate resolutions at general meetings for each distinct issue.

Guidelines of the Code	Sen Yue Corporate Governance Practices
16.3 All directors should attend general meetings of shareholders. In particular, the Chairman of the Board and the respective Chairman of the AC, NC and RC should be present and available to address shareholders' queries at these meetings. The external auditors should also be present to address shareholders' queries about the conduct of audit and the preparation and content of the auditors' report.	The respective chairpersons of the AC, RC and NC are present at the AGMs and EGMs to answer queries raised at the AGMs and EGMs. The External Auditors, Deloitte & Touche LLP, are invited to attend the AGMs to address any Shareholders' queries about the conduct of their audits.
16.4 Companies should prepare minutes of general meetings that include substantial and relevant comments or queries from shareholders relating to the agenda of the meeting, and responses from the Board and Management, and to make these minutes available to shareholders upon their request.	The Company prepares minutes of general meetings which incorporate substantial comments and queries from Shareholders and responses from the Board and Management. These minutes are made available upon request by Shareholders.
16.5 Companies should put all resolutions to vote by poll and make an announcement of the detailed results showing the number of votes cast for and against each resolution and the respective percentages. Companies are encouraged to employ electronic polling.	In line with Catalist Rule 730A(2), all resolutions will be voted by way of poll. The Company will announce the detailed results showing the number of votes cast for and against each resolution and the respective percentages to the Shareholders and the public. The Company has adopted electronic poll voting for all general meetings.

OTHER CORPORATE GOVERNANCE MATTERS

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

No material contracts of the Company or its subsidiaries involving the interests of the CEO or any Director or controlling shareholders existed at the end of the financial year or have been entered into since the end of the previous financial year other than that disclosed in Note 29 to the Financial Statements. In addition, no Director, CEO, controlling shareholders or a company related to the aforesaid persons have received a benefit from any contract entered into by the Group since the end of the previous financial year.

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

The Company does not have a general mandate from shareholders for recurrent interested person transactions. There were no interested person transactions with a value of S$100,000 or more entered into during FY2019.

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

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

The Company, Directors and officers of the Group are advised not to deal in the Company's shares on short-term considerations or when they are in possession of unpublished price-sensitive information. They are also reminded regularly not to deal in the Company's shares during the period commencing one month before the announcement of the Group's half-yearly and annual financial results and ending on the date of announcement of those results. The Company, its Directors and officers are required to report to the Company Secretary whenever they deal in the Company's shares. The Company Secretary assists the AC and the Board in monitoring such share transactions and making the necessary announcements. Directors and officers are also reminded to be mindful of the laws on insider trading at all times and to ensure that their dealings in securities do not contravene the laws on insider trading as determined by the Securities and Futures Act (Chapter 289) of Singapore, the Act and other appropriate regulations.

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

1) All directors and managers;

2) All significant participants in the financial consolidation process;

3) Others with significant management responsibility whose decisions can materially impact the Company's financial results; and

4) Certain accounting and finance personnel who assist the Company's GFM / Company Secretary in preparing all public announcements and materials distributed to the Board of Directors.

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

No non-sponsor fees were paid to the Company's sponsor, PrimePartners Corporate Finance Pte Ltd in FY2019.

TABLE A

Board comprises:-

Koh Mia Seng	(Executive Chairman)
Neo Gim Kiong	(Executive Director & CEO)
Liew Nyok Wah	(Executive Director)
Chim Suan Kit Mark	(Lead Independent Non-Executive Director)
Yu Lihong	(Independent Non-Executive Director)
Low Ka Choon Kevin	(Independent Non-Executive Director)
Lau Yan Wai	(Independent Non-Executive Director)

The primary functions of the Board include:-

1. charting the overall strategy, growth and direction of the Group;

2. overseeing and monitoring the performance of the management team;

3. ensuring there are in place appropriate and adequate systems of internal controls and risk management policies;

4. approving the annual budget, major capital expenditures and funding proposals, and investment and divestment proposals; and

5. assuming responsibilities for good corporate practices.

The Board's approval is also required on matters such as major acquisitions and disposals, corporate or financial restructuring, share issuance and dividends (Please refer to the full list of matters require Board's approval on the disclosure under Guideline 1.5 on page 16).

Audit Committee comprises:-

Chim Suan Kit Mark	(Chairman, Lead Independent Non-Executive Director)
Yu Lihong	(Member, Independent Non-Executive Director)
Low Ka Choon Kevin	(Member, Independent Non-Executive Director)
Lau Yan Wai	(Member, Independent Non-Executive Director)

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

1. reviewing the financial statements of the Company and the Group before they are submitted to the Board for approval;

2. reviewing the audit plans and the external auditors' report with the external auditors;

3. reviewing the independence and objectivity of the external auditors;

4. reviewing management letters from the external auditors and responses from the management;

5. recommending to the Board the appointment, re-appointment and removal of the external auditors, and approving the remuneration and terms of engagement of the external auditors;

6. reviewing the scope and results of the internal audit procedures;

7. ensuring the internal auditors' primary line of reporting is to the AC, in particular the Chairman;

8. ensuring the internal audit function is adequately resourced and effective;

9. reviewing the adequacy and effectiveness of the Group's internal controls, including financial, operational and compliance controls and risk management;

10. reviewing interested person transactions, if any; and

11. Commissioning and reviewing the finding of internal investigations conducted where fraud or impropriety is suspected, or where there is a failure of internal controls and infringement of laws, rules or regulations which is likely to have a material impact on the Group.

Nominating Committee comprises:-

Low Ka Choon Kevin	(Chairman, Independent Non-Executive Director)
Yu Lihong	(Member, Independent Non-Executive Director)
Chim Suan Kit Mark	(Member, Lead Independent Non-Executive Director)
Lau Yan Wai	(Member, Independent Non-Executive Director)

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

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

2. reviewing the size and composition of the Board;

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

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

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

6. formulating and implementing succession plan;

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

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

Remuneration Committee comprises:-

Yu Lihong	(Chairman, Independent Non-Executive Director)
Chim Suan Kit Mark	(Member, Lead Independent Non-Executive Director)
Koh Mia Seng	(Member, Executive Chairman)
Low Ka Choon Kevin	(Member, Independent Non-Executive Director)

The responsibilities of the RC are as follows:-

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

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

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

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

TABLE B

	Board of Directors Meetings		Audit Committee Meetings		Remuneration Committee Meetings		Nominating Committee Meetings	
Name of Director	**No. held**	**No. attended**	**No. held**	**No. attended**	**No. held**	**No. attended**	**No. held**	**No. attended**
Koh Mia Seng	3	3	2*	2*	1	1	1*	1*
Neo Gim Kiong	3	3	2*	2*	1*	1*	1*	1*
Liew Nyok Wah	3	3	2*	2*	1*	1*	1*	1*
Chim Suan Kit Mark	3	3	2	2	1	1	1	1
Yu Lihong	3	2	2	2	1	1	1	1
Low Ka Choon Kevin	3	3	2	2	1	1	1	1
Lau Yan Wai[1]	3	0	2	0	1	0	1	0

* By Invitation

1 Mr Lau Yan Wai was appointed as an Independent Non-Executive Director, and a member of the AC and NC with effect from 18 December 2019.

TABLE C

The Directors named below are retiring and being eligible, offer themselves for re-election at the upcoming AGM:-

Name of Director	Liew Nyok Wah	Yu Lihong	Lau Yan Wai
Date of appointment	3 September 2014	3 September 2014	18 December 2019
Date of last election	22 January 2018	23 January 2017	NA
Age	58	43	41
Country of principal residence	Singapore	Singapore	Singapore
The Board's comments on this re-election	The Board of Directors of the Company has accepted the NC's recommendation, who had reviewed and considered Mr Liew Nyok Wah's performance as an Executive Director of the Company.	The Board of Directors of the Company has accepted the NC's recommendation, who has reviewed and considered Mdm Yu Lihong's performance as an Independent Non-Executive Director of the Company.	The Board of Directors of the Company has accepted the NC's recommendation, who has reviewed and considered Mr Lau Yan Wai's qualifirations and suitability to act as an Independent Non-Executive Director of the Company.
Whether appointment is executive, and if so, the area of responsibility	Executive. Responsible for overseeing the operations of the Company's business of trading of commodities, which include copper, stainless steel and other special alloy.	NA	NA
Job title	Executive Director.	Independent Non-Executive Director, Chairman of RC and members of AC and NC.	Independent Non-Executive Director, members of AC and NC.

Professional qualifications	NA	National University of Singapore, faculty of Business Administration (major in finance) with First Class Honours. Association of Chartered Certified Accountants (ACCA, UK), a non-practising member of the Institute of Singapore Chartered Accountants (ISCA, Singapore), and a member of Chartered Financial Analyst (CFA, US).	Master of Laws (Chinese Law), National University of Singapore and a Master of Science in Information Systems, University of Sheffield, and a Bachelor of Laws, University of Sheffield. Admitted as an advocate and solicitor in the High Court of Malaya and advocate and solicitor in the Supreme Court of Singapore. Member of Singapore Academy of Law, Law Society of Singapore and Malaysian Bar.
Working experience and occupation(s) during past 10 years	Jackspeed Automobile (S) Pte Ltd 1986 to current – Director Sen Yue Holdings Limited 2014 to current – Executive Director	Gifted And Talented Education Pte. Ltd. 2012 to current – Director and CEO Sen Yue Holdings Limited 2014 to current – Non-Executive Director	Withers KhattarWong LLP 2005 to 2011 – Associate / Partner RHT Capital Pte. Ltd. 2011 to 2014 – Registered Professional (Catalist) RHTLaw TaylorWessing LLP 2011 to 2015 – Partner Equity Law LLC 2014 to current – Director MS Holdings Limited 2014 to current – Independent Director Donaldson & Burkinshaw LLP 2019 to current – Partner Sen Yue Holdings Limited 2019 to current – Non-Executive Director
Shareholdings interest in the listed issuer and its subsidiaries	Mr Liew Nyok Wah holds 62,000,000 ordinary shares (6.30%) in the share capital of the Company as at the date of this Annual Report.	Mdm Yu Lihong holds 6,000,000 ordinary shares (0.61%) in the share capital of the Company as at the date of this Annual Report.	None

Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries	Mr Liew Nyok Wah is a substantial shareholder of the Company.	None	None
Conflict of interest (including any competing business)	None	None	None
Undertaking (in the format set out in Appendix 7H) under Rule 720(1) has been submitted to the listed issuer	Yes	Yes	Yes
Other Principal Commitments Including Directorships	Past (for the last 5 years) NA Present Director of: Jackspeed Automobile (S) Pte Ltd SMC Industrial Pte Ltd SYH E-Waste Management Pte. Ltd. SYH Resources Pte. Ltd. PNE-Sino Pte Ltd PNE Micron Engineering Sdn. Bhd. PNE Marvellous Sdn. Bhd. CED System Sdn. Bhd. Hong Nam Industry (M) Sdn. Bhd. PNE Micron (Kuala Lumpur) Sdn. Bhd. PNE Precision Sdn. Bhd. Macore Technology (M) Sdn. Bhd.	Past (for the last 5 years) NA Present Director of: Ivy League Learning Concept Pte. Ltd. Gifted And Talented Education Pte. Ltd. CHH Holdings Pte. Ltd. Bizmen Corporation Pte. Ltd. H&M Group Pte. Ltd. Arty Huaty Gallery Pte. Ltd.	Past (for the last 5 years) Director of: Equal Plus Pte. Ltd. RHT Compliance Solutions Sdn Bhd Present Director of: MS Holdings Limited Equity Law LLC EQ Advisory Pte Ltd EQ Compliance Pte Ltd Propel Adventures Pte. Ltd. Partner of: Donaldson & Burkinshaw LLP

Question		Liew Nyok Wah	Yu Lihong	Lau Yan Wai
(a)	Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him / her or against a partnership of which he / she was a partner at the time when he / she was a partner or at any time within 2 years from the date he / she ceased to be a partner?	No	No	No
(b)	Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he / she was a director or an equivalent person or a key executive, at the time when he / she was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he / she ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?	No	No	No
(c)	Whether there is any unsatisfied judgment against him / her?	No	No	No
(d)	Whether he / she has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he / she is aware) for such purpose?	No	No	No
(e)	Whether he / she has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he / she is aware) for such breach?	No	No	No

Question			Liew Nyok Wah	Yu Lihong	Lau Yan Wai
(f)	Whether at any time during the last 10 years, judgment has been entered against him / her in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his / her part, or he / she has been the subject of any civil proceedings (including any pending civil proceedings of which he / she is aware) involving an allegation of fraud, misrepresentation or dishonesty on his / her part?		No	No	No
(g)	Whether he / she has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?		No	No	No
(h)	Whether he / she has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?		No	No	No
(i)	Whether he / she has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him / her from engaging in any type of business practice or activity?		No	No	No
(j)	Whether he / she has ever, to his / her knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of:—				
	(i)	any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or	No	No	No
	(ii)	any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or	No	No	No

Question	Liew Nyok Wah	Yu Lihong	Lau Yan Wai
(iii) any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or	No	No	No
(iv) any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere,	No	No	No
in connection with any matter occurring or arising during that period when he / she was so concerned with the entity or business trust?			
(k) Whether he / she has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?	No	No	No
Disclosure applicable to the appointment of Director only.			
Any prior experience as a director of an issuer listed on the Exchange?	Yes	Yes	Yes
If yes, please provide details of prior experience.	Mr Liew Nyok Wah has been appointed as a Director of the Company for five years.	Mdm Yu Lihong has been appointed as a Director of the Company for five years.	Mr Lau Yan Wai has been appointed as an Independent Director of MS Holdings Limited.
If no, please state if the director has attended or will be attending training on the roles and responsibilities of a director of a listed issuer as prescribed by the Exchange.	NA	NA	NA

TABLE D

The tables below show the remuneration bands of the Directors and the top four key management personnel of the Group, who are not directors as well as the approximate percentage breakdown of the remuneration during FY2019.

(a) Remuneration of Directors of the Company

Name of Director	Salary* (S$)	Bonus# (S$)	Directors' Fees (S$)	Allowance and other benefits (S$)	Total (S$)
S$500,001 to S$750,000					
Koh Mia Seng (Executive Chairman)	82%	18%	–	–	100%
S$250,000 to S$500,000					
Neo Gim Kiong (Executive Director and CEO)	78%	14%	–	8%	100%
Liew Nyok Wah (Executive Director)	76%	14%	–	10%	100%
Below S$250,000					
Chim Suan Kit Mark (Lead Independent Non-Executive Director)	–	–	99%	1%	100%
Yu Lihong (Independent Non-Executive Director)	–	–	98%	2%	100%
Low Ka Choon Kevin (Independent Non-Executive Director)	–	–	98%	2%	100%

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

\# The bonus amount shown is inclusive of CPF.

(b) Remuneration of top four Key Management Personnel

Name of Top 4 Key Management Personnel	Salary* (%)	Bonus* (%)	Directors' Fees (%)	Allowance and other benefits (%)	Total (%)
S$250,000 to S$500,000: -					
Foo Say Kit (Managing Director, Malaysia and Indonesia)	60%	29%	–	11%	100%
Below S$250,000: -					
Pua Kai Chek (General Manager, Malaysia)	65%	24%	–	11%	100%
Lim Soon Wah (Director, Indonesia)	63%	36%	–	1%	100%
Goh Leng Chye (General Manager, Singapore)	93%	7%	–	–	100%

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

The total remuneration paid to the above top four key management personnel in FY2019 was S$762,303.

No stock options were granted in FY2019 as the Company has no employees' shares option scheme in place. Please refer to the disclosure under Guideline 9.5 for more details.

(c) Remuneration of employee related to Director

Name of Employee who are family members of a Director	Salary* (%)	Bonus* (%)	Directors' Fees (%)	Allowance and other benefits (%)	Total (%)
S$50,001 to S$100,000					
Xu Yi Rui (Assistant Manager)	92%	8%	–	–	100%

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

Mr Xu Yi Rui is the nephew of Mr Koh Mia Seng (Executive Chairman) and he is the Assistant Manager of SMC Industrial Pte Ltd. The remuneration of Mr Xu Yi Rui in FY2019 was in the band of S$50,000 to S$100,000.

Save as disclosed above, there was no employee of the Group who is an immediate family member of any Director or the CEO whose remuneration exceeds S$50,000 in FY2019.

The Directors present their statement together with the audited consolidated financial statements of the Group and statement of financial position and statement of changes in equity of the Company for the financial year ended September 30, 2019.

In the opinion of the Directors, the consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company as set out on pages 69 to 135 are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at September 30, 2019, and the financial performance, changes in equity and cash flows of the Group and changes in equity of the Company for the financial year then ended and at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts when they fall due.

1 DIRECTORS

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

Koh Mia Seng
Neo Gim Kiong
Liew Nyok Wah
Chim Suan Kit Mark
Yu Lihong
Low Ka Choon Kevin
Lau Yan Wai (Appointed on December 18, 2019)

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

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

3 DIRECTORS' INTERESTS IN SHARES AND DEBENTURES

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

	Shareholdings registered in the name of Directors		Shareholdings in which Directors are deemed to have an interest	
Name of Directors and Company in which interests are held	**At beginning of financial year**	**At end of financial year**	**At beginning of financial year**	**At end of financial year**
The Company				
(Ordinary shares)				
Koh Mia Seng	369,109,046	369,109,046	–	–
Neo Gim Kiong	4,150,000	4,150,000	–	–
Liew Nyok Wah	62,000,000	62,000,000	–	–
Chim Suan Kit Mark	550,000	550,000	–	–
Yu Lihong	6,000,000	6,000,000	–	–
Low Ka Choon Kevin	1,000,000	1,000,000	–	–

By virtue of Section 7 of the Singapore Companies Act, Koh Mia Seng is deemed to have an interest in the Company and in all the related corporations of the Company.

The directors' interest in the shares and options of the company at October 21, 2019 were the same at September 30, 2019.

4 SHARE OPTIONS

(a) Options to take up unissued shares

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

(b) Options exercised

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

(c) Unissued shares under option

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

5 AUDIT COMMITTEE

The Audit Committee carries out its functions in accordance with the principles of corporate governance as prescribed in the Code of Corporate Governance 2012 issued by the Singapore Council on Corporate Disclosure and Governance. The functions carried out are detailed in the Corporate Governance Report.

6 AUDITORS

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

ON BEHALF OF THE DIRECTORS

Koh Mia Seng

Neo Gim Kiong

December 24, 2019

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Sen Yue Holdings Limited (the "Company") and its subsidiaries (the "Group"), which comprise the consolidated statement of financial position of the Group and the statement of financial position of the Company as at September 30, 2019, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group and the statement of changes in equity of the Company for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 69 to 135.

In our opinion, the accompanying consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 ("the Act") and Singapore Financial Reporting Standards (International) ("SFRS(I)") so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at September 30, 2019 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group and of the changes in equity of the Company for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority ("ACRA") *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. 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 judgement, were of most significance in our audit of the financial statements of the current year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matters (cont'd)

<table>
<tr><th>Key audit matter</th><th>How the matter was addressed in the audit</th></tr>
<tr><td>Calculation of loss allowance for trade receivables

As at September 30, 2019, the Group has trade receivables of $49.2 million, representing 56% of the Group's current assets. 67% of trade receivables for the Group relate to amounts due from four major overseas customers. The Group adopted SFRS(I) 9 Financial Instruments, effective from October 1, 2018. As a result, an expected credit loss impairment model was applied by the Group in determining the allowance against trade receivables.

Significant judgement is required by management in assessing the expected credit losses as it reflects information about past events, current conditions and forecasts of future conditions. Inappropriate judgement and estimates made in the calculation of loss allowance would result in a significant impact on the carrying amount of trade receivables.</td><td>Our audit procedures focused on evaluating and challenging key assumptions used by management in conducting the impairment assessment. These procedures included:

● understanding management's process over the monitoring of trade receivables and the assessment of expected credit losses;

● assessing the recoverability of the Group's significant past due trade receivables as at the reporting date, including the assessment of expected credit loss impairment model; and

● discussing with management on the reasons for the delay in payments for significant aged debts and assessing the appropriateness of any loss allowance to be made, by considering amongst other factors such as, subsequent cash receipts, payment history, settlement arrangement or the ongoing business relationship with the debtors involved.

We have also reviewed the adequacy and appropriateness of the disclosures made in Note 7 to the financial statements.</td></tr>
</table>

Key Audit Matters (cont'd)

Key audit matter	How the matter was addressed in the audit
Valuation of e-waste inventories The Group's e-waste recycling business involves the conversion of raw materials (e-waste) into its metal elements. These commodities have varying levels of purity content. Management engaged an expert to perform an assessment on the purity content of these commodities. As at September 30, 2019, the Group has e-waste raw material and e-waste converted commodities of $2.6 million and $4.1 million respectively, representing 47% of the Group's inventories of $14.0 million. The net realisable value of the commodities is correlated to the purity contents and the commodity prices listed in the London Metal Exchange (LME) and London Metal Bulletin (LMB). The above are key determinants as to whether the e-waste inventories are carried at the lower of cost and net realisable value (NRV).	Our audit procedures focused on evaluating and challenging management's assessment on the valuation of e-waste inventories. These procedures included: ● understanding management's process over the monitoring of inventories and the assessment of inventory provision; ● comparing the carrying amount of inventories against the prevailing commodity prices on LME and LMB to ensure inventories are carried at the lower of cost and NRV; ● engaging our own expert to verify management expert's assessment of the purity content of the inventories; and ● performing testing of subsequent sales of the inventories. We have also reviewed the adequacy and appropriateness of the disclosures made in Note 8 to the financial statements.

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

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

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

Responsibilities of Management and Directors for the Financial Statements

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

Responsibilities of Management and Directors for the Financial Statements (cont'd)

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements (cont'd)

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

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

Report on Other Legal and Regulatory Requirements

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

The engagement partner on the audit resulting in this independent auditor's report is Tsia Chee Wah.

Deloitte & Touche LLP
Public Accountants and
Chartered Accountants
Singapore

December 24, 2019

		Group			Company		
	Note	September 30, 2019 $'000	September 30, 2018 $'000	October 1, 2017 $'000	September 30, 2019 $'000	September 30, 2018 $'000	October 1, 2017 $'000
ASSETS							
Current assets							
Cash and cash equivalents	6	21,413	18,141	10,407	295	125	278
Trade and other receivables	7	52,429	46,888	52,470	10	171	2,125
Inventories	8	13,961	19,008	5,772	–	–	–
Total current assets		87,803	84,037	68,649	305	296	2,403
Non-current assets							
Property, plant and equipment	9	30,006	29,092	27,289	–	–	–
Goodwill	10	338	338	338	–	–	–
Subsidiaries	11	–	–	–	31,988	31,767	31,554
Other receivables	7	634	702	677	–	–	–
Financial assets at fair value through profit or loss	12	4,101	3,985	3,359	–	–	–
Deferred tax assets	13	–	57	49	–	–	–
Total non-current assets		35,079	34,174	31,712	31,988	31,767	31,554
Total assets		122,882	118,211	100,361	32,293	32,063	33,957
LIABILITIES AND EQUITY							
Current liabilities							
Bank overdrafts, loans and trade bills	14	58,970	56,498	42,951	1,000	1,000	1,283
Trade and other payables	15	14,445	14,488	9,876	4,617	3,874	3,434
Finance leases	16	309	319	238	–	–	–
Convertible notes	17	–	–	1,900	–	–	1,900
Income tax payable		252	379	545	–	–	–
Total current liabilities		73,976	71,684	55,510	5,617	4,874	6,617
Non-current liabilities							
Bank overdrafts, loans and trade bills	14	2,358	3,269	4,083	–	–	–
Finance leases	16	562	703	578	–	–	–
Other payables	15	78	53	63	–	–	–
Deferred tax liabilities	13	2,106	1,354	1,455	–	–	–
Total non-current liabilities		5,104	5,379	6,179	–	–	–

See accompanying notes to financial statements.

		Group			Company		
	Note	September 30, 2019 $'000	September 30, 2018 $'000	October 1, 2017 $'000	September 30, 2019 $'000	September 30, 2018 $'000	October 1, 2017 $'000
Capital, reserves and non-controlling interests							
Share capital	18	40,255	40,255	40,255	40,255	40,255	40,255
Merger deficit	19	(3,454)	(3,454)	(3,454)	–	–	–
Translation reserve	20	(7,315)	(7,403)	(7,421)	–	–	–
Revaluation reserve	21	11,168	8,623	8,066	–	–	–
Capital reserve	22	2,605	2,605	2,605	–	–	–
Retained earnings (Accumulated losses)		543	522	(1,379)	(13,579)	(13,066)	(12,915)
Equity attributable to owners of the Company		43,802	41,148	38,672	26,676	27,189	27,340
Total liabilities and equity		122,882	118,211	100,361	32,293	32,063	33,957

See accompanying notes to financial statements.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS
AND OTHER COMPREHENSIVE INCOME

Year ended September 30, 2019

	Note	Group	
		2019	**2018**
		$'000	**$'000**
Revenue	23	243,442	240,822
Cost of sales		(229,675)	(226,789)
Gross profit		13,767	14,033
Other operating income	24	1,134	1,526
Distribution costs		(1,405)	(1,299)
Administrative expenses		(9,444)	(9,110)
Other operating expenses		(283)	(439)
Finance costs	25	(2,567)	(2,067)
Profit before tax		1,202	2,644
Income tax expense	26	(1,181)	(743)
Profit for the year	27	21	1,901
Earnings per share			
Basic and diluted (cents)	28	–*	0.22
Other comprehensive income:			
Items that will not be reclassified subsequently to profit or loss:			
Revaluation of properties		2,545	557
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on translation of foreign operations		88	18
Other comprehensive income for the year, net of tax		2,633	575
Total comprehensive income for the year		2,654	2,476

* *Amount less than 0.01 cent*

See accompanying notes to financial statements.

STATEMENTS OF CHANGES IN EQUITY

Year ended September 30, 2019

Group	Share capital $'000 (Note 18)	Merger deficit $'000 (Note 19)	Translation reserve $'000 (Note 20)	Revaluation reserve $'000 (Note 21)	Capital reserve $'000 (Note 22)	(Accumulated losses) Retained earnings $'000	Equity attributable to owners of the Company $'000
Balance as at October 1, 2017	40,255	(3,454)	(7,421)	8,066	2,605	(1,379)	38,672
Total comprehensive income for the year:							
Profit for the year	–	–	–	–	–	1,901	1,901
Other comprehensive income for the year	–	–	18	557	–	–	575
Total	–	–	18	557	–	1,901	2,476
Balance as at September 30, 2018	40,255	(3,454)	(7,403)	8,623	2,605	522	41,148
Total comprehensive income for the year:							
Profit for the year	–	–	–	–	–	21	21
Other comprehensive income for the year	–	–	88	2,545	–	–	2,633
Total	–	–	88	2,545	–	21	2,654
Balance as at September 30, 2019	40,255	(3,454)	(7,315)	11,168	2,605	543	43,802

See accompanying notes to financial statements.

Year ended September 30, 2019

Company	Share capital $'000 (Note 18)	Accumulated losses $'000	Total $'000
Balance as at October 1, 2017	40,255	(12,915)	27,340
Loss for the year, representing total comprehensive loss for the year	–	(151)	(151)
Balance as at September 30, 2018	40,255	(13,066)	27,189
Loss for the year, representing total comprehensive loss for the year	–	(513)	(513)
Balance as at September 30, 2019	40,255	(13,579)	26,676

See accompanying notes to financial statements.

CONSOLIDATED STATEMENT OF
CASH FLOWS

Year ended September 30, 2019

	Note	Group 2019 $'000	Group 2018 $'000
Operating activities			
Profit before tax		1,202	2,644
Adjustments for:			
Allowance for (Reversal of) inventories		4	(25)
Bad debts written off on other receivables		4	–
Loss allowance for receivables		58	–
Interest income		(241)	(113)
Interest expense		2,567	2,067
Depreciation of property, plant and equipment	9	3,246	2,900
Net foreign exchange loss		62	16
Gain on disposal of property, plant and equipment		(4)	(11)
Property, plant and equipment written off		4	1
Post-employment benefits		22	2
Increase in fair value of financial assets at fair value through profit or loss		(91)	(68)
Impairment loss on property, plant and equipment		66	–
Operating cash flows before movements in working capital		6,899	7,413
Trade and other receivables		(5,270)	179
Inventories		5,048	(13,203)
Trade and other payables		(104)	5,298
Trade bills		2,609	13,635
Cash generated from operations		9,182	13,322
Income taxes paid		(1,170)	(1,123)
Income taxes refund		–	3
Net cash from operating activities		8,012	12,202
Investing activities			
Interest received		178	56
Proceeds from disposal of property, plant and equipment		13	3,097
Purchase of plant and equipment (Note A)		(703)	(3,550)
Purchase of financial assets at fair value through profit or loss		–	(582)
Net cash used in investing activities		(512)	(979)

See accompanying notes to financial statements.

	Note	Group 2019 $'000	Group 2018 $'000
Financing activities			
Interest paid		(2,567)	(2,067)
Repayments of borrowings		(1,168)	(1,328)
Repayments of finance lease liabilities		(337)	(296)
Increase in pledged deposits with financial institutions		(1,075)	(8,115)
New bank loans raised		857	–
Net cash used in financing activities		(4,290)	(11,806)
Net increase (decrease) in cash and cash equivalents		3,210	(583)
Cash and cash equivalents at the beginning of the year		1,056	1,798
Effect of exchange rate changes on the balance of cash held in foreign currencies		(266)	(159)
Cash and cash equivalents at the end of the year	6	4,000	1,056

Note A

During the financial year, the Group acquired plant and equipment with an aggregate cost of $909,000 (2018 : $4,075,000) of which $186,000 (2018 : $502,000) was acquired under finance lease arrangement and $43,000 (2018 : $23,000) remains unpaid as at September 30, 2019.

See accompanying notes to financial statements.

1 GENERAL

The Company (Registration No. 200105909M) is incorporated in Singapore with its principal place of business and registered office at 3 Jalan Pesawat, Singapore 619361. The Company is listed on the Singapore Exchange Securities Trading Limited. The financial statements are expressed in Singapore dollars.

The principal activity of the Company is that of investment holding.

The principal activities of the subsidiaries are disclosed in Note 11 to the financial statements.

The consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company for the year ended September 30, 2019 were authorised for issue by the Board of Directors on December 24, 2019.

For all periods up to and including the year ended September 30, 2018, the financial statements were prepared in accordance with the previous framework, Financial Reporting Standards in Singapore ("FRS"). These financial statements for the year ended September 30, 2019 are the first set that the Group and the Company have prepared in accordance with Singapore Financial Reporting Standards (International) ("SFRS(I)"). Details of first time adoption of SFRS(I) are included in Note 32.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

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

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

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

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

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

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

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

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

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

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

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

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

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

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

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

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

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

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

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

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

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

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

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

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

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Financial assets (before October 1, 2018)

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial instrument and of allocating interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts or payments (including all fees on 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 instrument, or where appropriate, a shorter period. Income and expense is recognised on an effective interest basis for debt instruments other than those financial instruments "at fair value through profit or loss".

Financial assets

All financial assets are recognised and de-recognised on a trade date basis where the purchase or sale of an investment is under a contract whose terms require delivery of the investment within the timeframe established by the market concerned, and are initially measured at fair value plus transaction costs, except for those financial assets classified as at fair value through profit or loss which are initially measured at fair value.

Financial assets comprise cash and cash equivalents, trade and other receivables and insurance assets.

Insurance assets

Certain insurance policies held by the Group are classified as insurance assets and are stated at fair value. Fair value is determined in the manner described in Note 4. Gains and losses arising from changes in fair value, impairment losses and foreign exchange gains and losses are recognised in profit or loss. The fair value of monetary assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at end of the reporting period. The change in fair value attributable to translation differences that result from a change in amortised cost of the monetary asset is recognised in profit or loss.

Loans and receivables

Trade and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as "loans and receivables". Loans and receivables (including trade and other receivables and cash and cash equivalents) are measured at amortised cost using the effective interest method less impairment. Interest is recognised by applying the effective interest method, except for short-term receivables when the effect of discounting is immaterial.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Financial assets (before October 1, 2018) (cont'd)

Impairment of financial assets

Financial assets, other than those at fair value through profit or loss, are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the asset have been impacted.

For all other financial assets, objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty; or
- default or delinquency in interest or principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial re-organisation.

For certain categories of financial assets, such as trade receivables, assets that are assessed not to be impaired individually are, in addition, assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the Group's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period, as well as observable changes in national or local economic conditions that correlate with default on receivables.

For financial assets carried at amortised cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of receivables where the carrying amount is reduced through the use of an allowance account. When receivables are uncollectible, they are written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the profit or loss. Changes in the carrying amount of the allowance account are recognised in profit or loss.

For financial assets measured at amortised cost, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the financial asset at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

Derecognition of financial assets

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Financial assets (from October 1, 2018)

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

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

Classification of financial assets

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

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect 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.

Debt instruments that meet the following conditions are subsequently measured at fair value through other comprehensive income (FVTOCI):

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

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

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

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

Amortised cost and effective interest method

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

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Financial assets (from October 1, 2018) (cont'd)

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

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

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

Interest income is recognised in profit or loss under "other operating income" line item.

Financial assets at FVTPL

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

Specifically:

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

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

Financial assets at FVTPL are measured at fair value as at each reporting date, with any fair value gains or losses recognised in profit or loss to the extent they are not part of a designated hedging relationship. The net gain or loss recognised in profit or loss includes any dividend or interest earned on the financial asset and is included in the "other operating income" line item (Note 24). Fair value is determined in the manner described in Note 4(c)(v).

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Financial assets (from October 1, 2018) (cont'd)

Foreign exchange gains and losses

The carrying amount of financial assets that are denominated in a foreign currency is determined in that foreign currency and translated at the spot rate as at each reporting date. Specifically,

- for financial assets measured at amortised cost that are not part of a designated hedging relationship, exchange differences are recognised in profit or loss in either the "other operating income" or the "other operating expenses" line items; and

- for financial assets measured at FVTPL that are not part of a designated hedging relationship, exchange differences are recognised in profit or loss in either the "other operating income" or the "other operating expenses" line items.

Impairment of financial assets

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

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

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

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

Significant increase in credit risk

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Financial assets (from October 1, 2018) (cont'd)

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

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

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

Despite the 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, 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 considers a financial asset to have low credit risk when it has an internal or external credit rating of "investment grade" as per globally understood definition.

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.

Definition of default

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

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

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Financial assets (from October 1, 2018) (cont'd)

Credit-impaired financial assets

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

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

Write-off policy

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

Measurement and recognition of expected credit losses

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

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Financial assets (from October 1, 2018) (cont'd)

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

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

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

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

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

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownerships 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. In addition, on derecognition of an investment in a debt instrument classified as at FVTOCI, the cumulative gain or loss previously accumulated in the investment revaluation reserve is reclassified to profit or loss. In contrast, on derecognition of an investment in equity instrument which the Group has elected on initial recognition to measure at FVTOCI, the cumulative gain or loss previously accumulated in the investment revaluation reserve is not reclassified to profit or loss, but is transferred to retained earnings.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Financial liabilities and equity instruments

Classification as debt or equity

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

Equity instruments

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

Financial liabilities

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

Financial liabilities subsequently measured at amortised cost

Financial liabilities that are not 1) contingent consideration of an acquirer in a business combination, 2) held-for-trading, or 3) designated as at FVTPL, are subsequently measured at amortised cost using the effective interest method.

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

Foreign exchange gains and losses

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

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

Convertible notes

Convertible notes are regarded as compound instruments, consisting of a liability component and an equity component. The component parts of compound instruments are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangement. At the date of issue, the fair value of the liability component is estimated using the prevailing market interest rate for a similar non-convertible instrument. This amount is recorded as a liability on an amortised cost basis until extinguished upon conversion or at the instrument's maturity date. The equity component is determined by deducting the amount of the liability component from the fair value of the compound instrument as a whole. This is recognised and included in equity, net of income tax effects, and is not subsequently remeasured.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Financial liabilities and equity instruments (cont'd)

Derecognition of financial liabilities

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

Derivative financial instruments

The Group enters into commodity forward contracts to manage its exposure to commodity price risk. Further details of derivative financial instruments are disclosed in Note 31 to the financial statements.

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in profit or loss immediately.

A derivative is presented as a non-current asset or a non-current liability if the remaining maturity of the instrument is more than 12 months and it is not expected to be realised or settled within 12 months. Other derivatives are presented as current assets or current liabilities.

Offsetting arrangements

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

LEASES - 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 on a straight-line basis over the term of the relevant lease unless another systematic basis is more representative of the time pattern in which use benefit derived from the leased asset is diminished. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised as an expense over the lease term on the same basis as the lease income.

The Group as lessee

Assets held under finance leases are 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 statement of financial position as a finance lease obligation. Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly to profit or loss, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the Group's general policy on borrowing costs (see below). Contingent rentals are recognised as expenses in the periods in which they are incurred.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Rentals payable under operating leases are charged to profit or loss on a straight-line basis over the term of the relevant lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

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, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

INVENTORIES - Inventories are stated at the lower of cost and net realisable value. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. Cost is calculated using the first-in first-out method, except for e-waste inventories which the cost is calculated using the specific identification method. Net realisable value represents the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

PROPERTY, PLANT AND EQUIPMENT - Land and buildings held for use in the production or supply of goods or services, or for administrative purposes, are stated in the statement of financial position at their revalued amounts, being the fair value at the date of revaluation, less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Revaluations are performed with sufficient regularity such that the carrying amount does not differ materially from that which would be determined using fair values at the end of the reporting period.

Any revaluation increase arising on the revaluation of such land and buildings is recognised in other comprehensive income and accumulated in revaluation reserve, except to the extent that it reverses a revaluation decrease for the same asset previously recognised in profit or loss, in which case the increase is credited to profit or loss to the extent of the decrease previously charged. A decrease in carrying amount arising on the revaluation of such land and buildings is charged to profit or loss to the extent that it exceeds the balance, if any, held in the property revaluation reserve relating to a previous revaluation of that asset.

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

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

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

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

No depreciation is provided on freehold land.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

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

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

The 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 amounts of the asset and is recognised in profit or loss. On the subsequent sale or retirement of a revalued property, the attributable revaluation surplus remaining in the properties revaluation reserve is transferred directly to retained earnings. No transfer is made from the revaluation reserve to retained earnings except when an asset is derecognised.

GOODWILL - Goodwill arising in a business combination is recognised as an asset at the date that control is acquired (the acquisition date). Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of the acquirer's previously held equity interest (if any) in the entity over net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed.

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

Goodwill is not amortised but is reviewed for impairment at least annually. For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units expected to benefit from the synergies of the combination. Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognised for goodwill is not reversed in a subsequent period.

On disposal of a subsidiary or the relevant cash generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

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

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

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

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

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

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

When 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.

REVENUE RECOGNITION (before October 1, 2018) - Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for estimated customer returns, rebates and other similar allowances.

Sale of goods

Revenue from the sale of goods is recognised when all the following conditions are satisfied:

- The Group has transferred to the buyer the significant risks and rewards of ownership of the goods;
- The Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- The amount of revenue can be measured reliably;
- It is probable that the economic benefits associated with the transaction will flow to the entity; and
- The costs incurred or to be incurred in respect of the transaction can be measured reliably.

Revenue from electro-deposition coating and other support services

Revenue from electro-deposition coating and other support services is recognised when such services are rendered. No revenue is recognised if there are significant uncertainties regarding recovery of the consideration due.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Interest income

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

Rental income

The Group's policy for recognition of revenue from operating leases is described above.

REVENUE RECOGNITION (from October 1, 2018) - The Group recognises revenue from sale of good and services. Revenue is measured based on the consideration specified in the contract with a customer and excludes amounts collected on behalf of third parties. The Group recognises revenue when it transfers control of a product or service to a customer. The Group has concluded that it is the principal in its revenue arrangements and records revenue on a gross basis because it typically controls the goods or services before transferring them to customers.

Sale of goods

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

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

Revenue from the provision of electro-deposition coating services

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

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

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

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

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

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

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

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the statement of profit or loss and other comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are not taxable or tax deductible. The Group's liability for current tax is calculated using tax rates (and tax laws) that have been enacted or substantively enacted in countries where the Company and its subsidiaries operate by the end of the reporting period.

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

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

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

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realised based on the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

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

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

In preparing the financial statements of the individual entities, transactions in currencies other than the entity's functional currency are recorded at the rate of exchange prevailing on the date of the transaction. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at the end of the reporting period. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

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

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

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

In the case of a partial disposal (i.e. no loss of control) of a subsidiary that includes a foreign operation, the proportionate share of accumulated exchange differences are re-attributed to non-controlling interests and are not recognised in profit or loss.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

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

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

CASH AND CASH EQUIVALENTS IN THE STATEMENT OF CASH FLOWS - Cash and cash equivalents in the statement of cash flows comprise cash on hand and demand deposits, bank overdrafts, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

3 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

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

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

Critical judgements in applying the Group's accounting policies

Management is of the opinion that any instances of application of judgements are not expected to have a significant effect on the amounts recognised in the financial statements apart from those involving estimation (see below).

Key sources of estimation uncertainty

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

Impairment of goodwill

The Group tests goodwill for impairment annually or more frequently if there are indicators that the goodwill might be impaired. The goodwill relates exclusively to one cash-generating unit ("CGU"). Determining whether goodwill is impaired requires an estimation of the value in use of the CGU to which goodwill has been allocated. The value in use calculation requires the entity to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate present value. The carrying amount of goodwill at the end of the reporting period was $338,000 (September 30, 2018 : $338,000; October 1, 2017 : $338,000). Details of the goodwill are provided in Note 10 to the financial statements.

3 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (cont'd)

Key sources of estimation uncertainty (cont'd)

Calculation of loss allowance

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

Loss given default is an estimate of the loss arising on default. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, taking into account cash flows from collateral and integral credit enhancements.

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

The carrying amount of trade and other receivables is disclosed in Note 7 to the financial statements.

Allowance for inventories

At the end of each reporting period, the Group reviews the carrying amount of its inventories to ensure that they are stated at lower of cost or net realisable value. In assessing the net realisable value and making appropriate allowance, management identifies inventories that are slow-moving, considers their physical condition, the market condition and prices for similar items. Management has assessed the allowance for inventories as at September 30, 2019 to be $185,000 (September 30, 2018 : $181,000; October 1, 2017 : $200,000).

The Group engages a related party to assess the purity content of the e-waste inventories. Purity content is a key measure to determine the net realisable value based on available market prices. Management works closely with experts to establish the appropriate method used in testing.

The carrying amount of inventories is disclosed in Note 8 to the financial statements.

Impairment in value of investment in subsidiaries (Note 11)

Determining whether investment in subsidiaries is impaired involves the consideration of the performance of the subsidiaries and the market conditions in which the subsidiaries operate in. At the end of the reporting period, management of the Company has performed an impairment assessment of its investment in its subsidiaries. As at September 30, 2019, the allowance for impairment loss is $8,890,000 (September 30, 2018 : $9,481,000; October 1, 2017 : $10,450,000).

Depreciation of property, plant and equipment

The Group depreciates its property, plant and equipment over their estimated useful lives, after taking into account their estimated residual value using the straight-line method. The estimated useful life reflects management's estimate of the periods that the Group intends to derive future economic benefits from the use of the Group's property, plant and equipment. The residual values reflect management's estimated amount that the Group would currently obtain from disposal of the asset, after deducting the estimated costs of disposal, if the assets were already of the age and in the condition expected at the end of its useful life. As at September 30, 2019, the carrying amount of property, plant and equipment is $30,006,000 (September 30, 2018 : $29,092,000; October 1, 2017 : $27,289,000) as disclosed in Note 9 to the financial statements.

3 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (cont'd)

Key sources of estimation uncertainty (cont'd)

Fair value measurements and valuation processes

Some of the Group's assets and liabilities are measured at fair value for financial reporting purposes.

In estimating the fair value of an asset or a liability, the Group uses market-observable data to the extent it is available. Where Level 1 inputs are not available, the Group engages third party qualified valuers to perform the valuation. Management works closely with the qualified external valuers to establish the appropriate valuation techniques and inputs to the model.

Information about the valuation techniques and inputs used in determining the fair value of various assets and liabilities are disclosed in Notes 4, 9 and 12 to the financial statements.

Impairment of property, plant and equipment (Note 9)

At the end of each reporting period, the Group reviews the carrying amounts of its property, plant and equipment 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).

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT

(a) Categories of financial instruments

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

	Group			Company		
	September 30, 2019 $'000	**September 30, 2018 $'000**	**October 1, 2017 $'000**	**September 30, 2019 $'000**	**September 30, 2018 $'000**	**October 1, 2017 $'000**
Financial assets						
Amortised cost	72,164	63,556	62,029	295	286	2,393
Financial assets at FVTPL	4,101	3,985	3,359	–	–	–
	76,265	67,541	65,388	295	286	2,393
Financial liabilities						
Amortised cost	76,722	75,330	59,689	5,617	4,874	6,617

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

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

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (cont'd)

(c) Financial risk management policies and objectives

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

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

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

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

(i) Foreign exchange risk management

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

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

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

	Assets			Liabilities		
	September 30, 2019	September 30, 2018	October 1, 2017	September 30, 2019	September 30, 2018	October 1, 2017
	$'000	$'000	$'000	$'000	$'000	$'000
Group						
Singapore dollar	330	632	279	71	151	101
United States dollar	18,366	14,914	12,495	23,664	25,217	19,587
Malaysian ringgit	–	–	–	4,088	2,225	–
Chinese yuan	–	109	–	–	–	–
Company						
United States dollar	8	169	162	–	509	283
Malaysian ringgit	–	–	–	4,088	2,225	–

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (cont'd)

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

(i) Foreign exchange risk management (cont'd)

Foreign currency sensitivity

The sensitivity rate used when reporting foreign exchange risk to key management personnel is 10%, which is the change in a foreign exchange rate that management deems reasonably possible, which will affect outstanding foreign currency denominated monetary items at the end of the reporting period.

If the relevant foreign currency weakens by 10% against the functional currency of each Group entity, the effect on profit or loss will increase (decrease) by:

	Group		Company	
	2019	**2018**	**2019**	**2018**
	$'000	**$'000**	**$'000**	**$'000**
Singapore dollar	(26)	(48)	–	–
United States dollar	530	1,030	–	34
Malaysia ringgit	409	223	409	223
Chinese yuan	–	(11)	–	–

If the relevant foreign currency strengthens by 10% against the functional currency of each Group entity, the above will have an opposite effect.

(ii) Interest rate risk management

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

Interest rate sensitivity

The sensitivity analysis below has been determined based on the exposure to interest rates for cash and cash equivalents placed with and borrowings from banks and financial institutions in Singapore, Malaysia and Indonesia at the end of the reporting period.

For floating rate liabilities, the analysis is prepared assuming the amount of liability outstanding at the end of the reporting period was outstanding for the whole year. A 50 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

If interest rates had been 50 basis points higher/lower with all other variables held constant, the Group's profit for the year ended September 30, 2019 would decrease/increase by $221,000 (2018 : $219,000).

No analysis is prepared at the Company level as the impact is not expected to be material.

The Group's sensitivity to interest rates has increased during the current year mainly due to the increase in average bank borrowings.

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (cont'd)

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

(iii) Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Group. As at September 30, 2019, the Group's maximum exposure to credit risk without taking into account any collateral held or other credit enhancements, which will cause a financial loss to the Group due to failure to discharge an obligation by the counterparties arises from the carrying amount of the respective recognised financial assets as stated in the statements of financial position.

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

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

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

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (cont'd)

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

(iii) Credit risk management (cont'd)

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

Group	Note	Internal credit rating	12-month or lifetime ECL	Gross carrying amount $'000	Loss allowance $'000	Net carrying amount $'000
September 30, 2019						
Trade receivables	7	(i)	Lifetime ECL (simplified approach)	49,265	(65)	49,200
Other receivables (excluding prepayments, tax recoverables and GST refundables)	7	Performing	12-month ECL	2,882	(1,331)	1,551
Financial assets at FVTPL	12	Performing	12-month ECL	4,101	–	4,101
					(1,396)	

(i) For trade receivables, the Group has applied the simplified approach in SFRS(I) 9 to measure the loss allowance at lifetime ECL. The Group determines the expected credit loss on this items based on the ongoing evaluation of collectability and aging analysis of the outstanding debts and on management's estimate of the ultimate realisation of these debts, including creditworthiness and the past collection history of each debtor. Note 7 includes further details on the loss allowance for these assets.

As at September 30, 2019, 67.1% (September 30, 2018 : 58.4%; October 1, 2017 : 73.4%) of trade receivables for the Group relate to amounts due from four (September 30, 2018 : four; October 1, 2017 : three) major customers. The Group manages concentration of credit risk by performing credit analysis procedures to assess the potential customers' credit quality and defines credit limits by customer before offering credit term to any new customer.

The maximum amount the Company could be forced to settle under the financial guarantee contract in Note 29(b), if the full guaranteed amount is claimed by the counterparty to the guarantee is $61,199,000 (September 30, 2018 : $52,594,000; October 1, 2017 : $41,010,000). Based on expectations at the end of the reporting period, the Group considers that it is more likely than not that no amount will be payable under the arrangement. However, this estimate is subject to change depending on the probability of the counterparty claiming under the guarantee which is a function of the likelihood that the financial receivables held by the counterparty which are guaranteed suffer credit losses.

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (cont'd)

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

(iii) Credit risk management (cont'd)

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

The Group places its cash with reputable financial institutions.

The credit risk for trade and other receivables based on the information provided to key management is as follows:

	Group			Company		
	September 30, 2019 $'000	**September 30, 2018 $'000**	**October 1, 2017 $'000**	**September 30, 2019 $'000**	**September 30, 2018 $'000**	**October 1, 2017 $'000**
By geographical areas:						
Singapore	4,278	3,895	7,533	–	161	2,115
People's Republic of China	31,999	28,444	36,066	–	–	–
Malaysia	8,696	3,166	2,827	–	–	–
Indonesia	601	655	598	–	–	–
Thailand	2,010	3,727	1,714	–	–	–
South Korea	1,557	2,536	177	–	–	–
Others	2,539	3,922	3,334	–	–	–
	51,680	46,345	52,249	–	161	2,115

(iv) Liquidity risk management

The Group maintains sufficient cash and cash equivalents, and internally generated cash flows to finance their activities. The Group's policy is to regularly monitor its liquidity requirements and its compliance with lending covenants, to ensure that it maintains sufficient reserves of cash and adequate committed lines of funding from major financial institutions to meet its liability requirements in the short and longer term.

As at September 30, 2019, the Company's current liabilities exceeded its current assets by $5,312,000 (September 30, 2018 : $4,578,000; October 1, 2017 : $4,214,000). The Company is the ultimate holding company for all its subsidiaries, and the Group has positive working capital of $13,827,000 (September 30, 2018 : $12,353,000; October 1, 2017 : $13,139,000). Accordingly, management is of the opinion that the Group has sufficient working capital to meet the Company's short term working capital requirements.

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (cont'd)

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

(iv) Liquidity risk management (cont'd)

Liquidity and interest risk analyses

Non-derivative financial liabilities

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

The maximum amount that the Company could be forced to settle under the financial guarantee contract in Note 29(b), if the full guaranteed amount is claimed by the counterparty to the guarantee, is $61,199,000 (September 30, 2018 : $52,594,000; October 1, 2017 : $41,010,000). The earliest period that the guarantee could be called is within 1 year (September 30, 2018 and October 1, 2017 : 1 year) from the end of the reporting period. As mentioned in Note 4(c)(iii), the Group considers that it is more likely that no amount will be payable under the arrangement.

	Weighted average effective interest rate	On Demand or within 1 year	Within 2 to 5 years	Adjustment	Total
	%	$'000	$'000	$'000	$'000
GROUP					
September 30, 2019					
Non-interest bearing	–	14,523	–	–	14,523
Finance leases (fixed rate)	4.38	331	581	(41)	871
Trade bills (variable rate)	4.19	54,001	–	(2,172)	51,829
Loan facilities (variable rate)	4.10	7,434	2,624	(559)	9,499
		76,289	3,205	(2,772)	76,722
September 30, 2018					
Non-interest bearing	–	14,488	53	–	14,541
Finance leases (fixed rate)	4.70	344	729	(51)	1,022
Trade bills (variable rate)	3.16	50,777	–	(1,556)	49,221
Loan facilities (variable rate)	3.42	7,525	3,689	(668)	10,546
		73,134	4,471	(2,275)	75,330

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (cont'd)

(c) *Financial risk management policies and objectives (cont'd)*

(iv) Liquidity risk management (cont'd)

Liquidity and interest risk analyses (cont'd)

	Weighted average effective interest rate	On Demand or within 1 year	Within 2 to 5 years	Adjustment	Total
	%	$'000	$'000	$'000	$'000
GROUP					
October 1, 2017					
Non-interest bearing	–	9,876	63	–	9,939
Finance leases (fixed rate)	5.77	260	606	(50)	816
Trade bills (variable rate)	2.83	36,593	–	(1,007)	35,586
Convertible notes (fixed rate)	8.00	2,006	–	(106)	1,900
Loan facilities (variable rate)	3.75	7,641	4,811	(1,004)	11,448
		56,376	5,480	(2,167)	59,689
COMPANY					
September 30, 2019					
Non-interest bearing	–	4,617	–	–	4,617
Loan facilities (variable rate)	4.13	1,041	–	(41)	1,000
		5,658	–	(41)	5,617
September 30, 2018					
Non-interest bearing	–	3,874	–	–	3,874
Loan facilities (variable rate)	3.89	1,039	–	(39)	1,000
		4,913	–	(39)	4,874
October 1, 2017					
Non-interest bearing	–	3,434	–	–	3,434
Convertible notes (fixed rate)	8.00	2,006	–	(106)	1,900
Loan facilities (variable rate)	3.64	1,330	–	(47)	1,283
		6,770	–	(153)	6,617

Non-derivative financial assets

Except for other receivables and financial assets at FVTPL as disclosed in Notes 7 and 12, substantially all financial assets of the Group and Company are on demand or due within one year.

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (cont'd)

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

(iv) Liquidity risk management (cont'd)

Derivative financial instruments

The Group's derivative financial instruments comprise commodity forward contracts which are measured at fair value at the end of the reporting period. The Group's derivative financial instruments are insignificant as at the end of the reporting period. See Note 31 for more information on derivative financial instruments.

(v) Fair value of financial assets and financial liabilities

Fair value of the Group's financial assets that are measured at fair value on a recurring basis

Some of the Group's financial assets and financial liabilities are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of these financial assets and financial liabilities are determined (in particular, the valuation technique(s) and inputs used). See Note 31 for more information on derivative financial instruments, which are insignificant as at the end of the reporting period.

Financial assets at FVTPL

Fair value as at			Fair value hierarchy	Valuation technique and key input	Significant unobservable input	Relationship of unobservable inputs to fair value
September 30, 2019 $'000	September 30, 2018 $'000	October 1, 2017 $'000				
4,101	3,985	3,359	Level 2	Statement from the respective insurers on the cash surrender value as at reporting date.	N/A	N/A

Fair value of the Group's financial assets and financial liabilities that are not measured at fair value on a recurring basis

Management considers that the carrying amounts of cash and cash equivalents, trade and other current receivables and payables and other liabilities recorded at amortised cost in the financial statements approximate their respective fair values due to the relatively short-term maturity of these financial instruments. In respect of the financial assets and financial liabilities recorded at amortised cost whose maturity is more than a year, management also considers that such financial instruments approximate their fair values. The fair values of other classes of financial assets and financial liabilities are disclosed in the respective notes to the financial statements.

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (cont'd)

(d) *Capital management policies and objectives*

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

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

The Group is required to maintain a minimum net worth (share capital, accumulated profit/ loss, and all reserves) of not less than $22,000,000 (September 30, 2018 : $22,000,000). This externally imposed capital requirement has been complied with as of the financial year ended September 30, 2018 and September 30, 2019.

Management also reviews financial measures and position of the Group on a regular basis to monitor if the Group fulfils the financial covenants prescribed in its banking facilities. As at September 30, 2019, the Group was in compliance with all externally imposed capital requirements.

5 RELATED PARTY TRANSACTIONS

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

During the year, the Group entered into the following transactions with related party:

	Group	
	2019	2018
	$'000	$'000
Sale of goods	–	(129)
Purchase of goods	–	548
Subcontracting expenses	27	74
Purchase of equipments	1	14
Sale of equipments	–	(26)

5 RELATED PARTY TRANSACTIONS (cont'd)

Compensation of Directors and key management personnel

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

	Group	
	2019	**2018**
	$'000	**$'000**
Short term benefits	2,201	2,212
Post-employment benefits	90	105
	2,291	2,317

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

6 CASH AND CASH EQUIVALENTS

	Group			Company		
	September 30, 2019	**September 30, 2018**	**October 1, 2017**	**September 30, 2019**	**September 30, 2018**	**October 1, 2017**
	$'000	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
Cash at banks and in hand	4,325	2,128	2,509	295	125	278
Fixed deposits	17,088	16,013	7,898	–	–	–
Cash and cash equivalents in statements of financial position	21,413	18,141	10,407	295	125	278
Fixed deposits pledged with financial institutions	(17,088)	(16,013)	(7,898)	–	–	–
Bank overdraft (Note 14)	(325)	(1,072)	(711)	–	–	–
Cash and cash equivalents in statement of cash flows	4,000	1,056	1,798	295	125	278

Fixed deposits with financial institutions amounting to approximately $17,088,000 (September 30, 2018 : $16,013,000; October 1, 2017 : $7,898,000) have been pledged to financial institutions for banking facilities granted to the Group (Note 14).

Fixed deposits interest at an average rate of 1.06% (September 30, 2018 : 0.85%; October 1, 2017 : 0.51%) per annum and for a tenure of approximately 213 days (September 30, 2018 : 213 days; October 1, 2017 : 228 days).

7 TRADE AND OTHER RECEIVABLES

	Group			Company		
	September 30, 2019 $'000	September 30, 2018 $'000	October 1, 2017 $'000	September 30, 2019 $'000	September 30, 2018 $'000	October 1, 2017 $'000
Current						
Trade receivables from outside parties	49,265	44,849	47,706	–	–	–
Deposits and other receivables	2,882	1,824	5,918	–	–	–
Prepayments	749	543	221	10	10	10
Tax recoverables	16	–	6	–	–	–
GST refundable	913	930	–	–	–	–
Subsidiaries (Note 11)	–	–	–	–	161	2,115
Loss allowance :						
- Trade	(65)	(7)	(6)	–	–	–
- Non-trade	(1,331)	(1,251)	(1,375)	–	–	–
	52,429	46,888	52,470	10	171	2,125
Non-current						
Prepayments	634	702	677	–	–	–
Total	53,063	47,590	53,147	10	171	2,125

Trade receivables

The average credit period on sale of goods is 7 to 180 days (September 30, 2018 : 7 to 180 days; October 1, 2017 : 60 to 180 days). No interest is charged on outstanding trade receivables that are beyond the credit timeframe.

Loss allowance for trade receivables has always been measured at an amount equal to lifetime expected credit losses (ECL). The ECL on trade receivables are estimated by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of conditions at the reporting date.

There has been no change in the estimation techniques or significant assumptions made during the current reporting period.

7 TRADE AND OTHER RECEIVABLES (cont'd)

Trade receivables (cont'd)

The table below shows the movement in lifetime ECL that has been recognised for trade receivables in accordance with the simplified approach set out in SFRS(I) 9:

	Lifetime ECL – credit-impaired $'000
Balance as at October 1, 2018	7
Change in loss allowance due to new trade receivables originated, net of those derecognised due to settlement	58
Balance as at September 30, 2019	65

The table below is an ageing analysis of trade receivables :

	Group			Company		
	September 30, 2019 $'000	September 30, 2018 $'000	October 1, 2017 $'000	September 30, 2019 $'000	September 30, 2018 $'000	October 1, 2017 $'000
Not past due	34,875	30,585	35,687	–	–	–
Less than 1 month overdue	9,858	9,100	10,361	–	–	–
1 to 3 months overdue	4,087	4,013	1,420	–	–	–
3 to 6 months overdue	352	1,144	69	–	–	–
6 to 12 months overdue	28	–	163	–	–	–
Total	49,200	44,842	47,700	–	–	–

Other receivables

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

In determining the ECL, management has taken into account the historical default experience and the financial position of the counterparties, adjusted for factors that are specific to the debtors and general economic conditions of the industry in which the debtors operate, in estimating the probability of default of each of these financial assets occurring within their respective loss assessment time horizon, as well as the loss upon default in each case. None of the amounts due from customers at the end of the reporting period is past due.

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

7 TRADE AND OTHER RECEIVABLES (cont'd)

Other receivables (cont'd)

Including the Group's other receivables are debtors with a carrying amount of $1,331,000 (September 30, 2018 : $1,251,000; October 1, 2017 : $1,375,000) for which there is evidence of credit impairment and accordingly, the Group has recognised loss allowance.

The table below shows the movement in lifetime ECL that has been recognised for other receivables in accordance with the simplified approach set out in SFRS(I) 9:

	Lifetime ECL – credit-impaired
	$'000
Balance as at October 1, 2018	1,251
Currency translation differences	80
Balance as at September 30, 2019	1,331

Previous accounting policy for impairment of trade and other receivables under FRS 39 (before October 1, 2018)

The table below is an analysis of trade receivables as at year ended:

	Group	**Company**
	September 30, 2018	**September 30, 2018**
	$'000	**$'000**
Not past due and not impaired	30,585	–
Past due but not impaired (i)	14,257	–
Sub-total	44,842	–
Impaired receivables - individually assessed		
- Past due more than 12 months with no indication of intention to repay	7	–
Less: Allowance for impairment	(7)	–
Total trade receivables, net	44,842	–

Included in the Group's trade receivable balance are debtors with a carrying amount of $14,257,000 which are past due at the end of the reporting period for which the Group has not provided as there has not been a significant change in credit quality and the amounts are still considered recoverable. The Group does not hold any collateral over these balances.

In determining the recoverability of a trade receivable, the Group considers any change in the credit quality of the trade receivable from the date credit was initially granted up to the end of the reporting period. Accordingly, management believes that there is no further impairment required in excess of the allowance for doubtful debts.

Non-trade amounts due from subsidiaries are unsecured and interest-free, and are repayable on demand. There are no impairment losses arising from the outstanding balances.

7 TRADE AND OTHER RECEIVABLES (cont'd)

Other receivables (cont'd)

The Group's other receivables are interest-free and repayable on demand. The Group has recognised an allowance of $1,251,000 on other receivables as at the end of the reporting period.

Movements in the allowance for doubtful receivables:

	Group $'000
Balance as at October 1, 2017	1,381
Exchange difference	(123)
Balance as at September 30, 2018	1,258

8 INVENTORIES

	Group		
	September 30, 2019 $'000	September 30, 2018 $'000	October 1, 2017 $'000
Raw materials	8,294	11,243	3,660
Work-in-progress	265	283	113
Inventory-in-transit	485	7,153	1,770
Finished goods	4,917	329	229
	13,961	19,008	5,772

Included in raw materials and finished goods are $2,557,000 (September 30, 2018 : $7,022,000; October 1, 2017 : Nil) and $4,065,000 (September 30, 2018 : $3,167,000; October 1, 2017 : Nil) of e-waste inventories, respectively.

The cost of inventories recognised as an expense includes $4,000 in respect of write-downs of inventory to net realisable value (September 30, 2018 : $25,000 in respect of reversal of write-downs of inventory to net realisable value). Previous write-downs have been reversed as a result of increased saleability in certain markets.

9 PROPERTY, PLANT AND EQUIPMENT

Group	Valuation: Freehold land $'000	Valuation: Freehold buildings $'000	Valuation: Leasehold land and buildings $'000	Cost: Plant and equipment $'000	Cost: Furniture, fittings and office equipment $'000	Cost: Renovation and installation $'000	Cost: Motor vehicles $'000	Total $'000
Cost/Valuation:								
At October 1, 2017	4,703	3,600	16,483	8,254	1,267	466	534	35,307
Additions	–	–	–	3,307	133	168	467	4,075
Disposals	–	–	–	(35)	(1)	–	(171)	(207)
Written off	–	–	–	(18)	(7)	–	–	(25)
Revaluation of properties	–	–	(500)	–	–	–	–	(500)
Exchange differences	130	(527)	(234)	152	(7)	(7)	(17)	(510)
At September 30, 2018	4,833	3,073	15,749	11,660	1,385	627	813	38,140
Additions	–	40	–	331	40	306	192	909
Disposals	–	–	–	(8)	(5)	–	(91)	(104)
Written off	–	–	–	(456)	(237)	(5)	–	(698)
Revaluation of properties	395	(114)	418	–	–	–	–	699
Exchange differences	(2)	(2)	187	63	25	14	–	285
At September 30, 2019	5,226	2,997	16,354	11,590	1,208	942	914	39,231
Accumulated depreciation:								
At October 1, 2017	–	806	682	5,139	946	196	234	8,003
Depreciation	–	80	1,483	947	142	154	94	2,900
Disposals	–	–	–	(9)	(1)	–	(159)	(169)
Written off	–	–	–	(18)	(6)	–	–	(24)
Eliminated on revaluation	–	–	(1,171)	–	–	–	–	(1,171)
Exchange differences	–	(605)	(62)	165	7	(11)	1	(505)
At September 30, 2018	–	281	932	6,224	1,088	339	170	9,034
Depreciation	–	77	1,554	1,209	108	184	114	3,246
Disposals	–	–	–	(2)	(3)	–	(90)	(95)
Written off	–	–	–	(453)	(236)	(5)	–	(694)
Eliminated on revaluation	–	–	(2,443)	–	–	–	–	(2,443)
Exchange differences	–	–	34	37	9	13	2	95
At September 30, 2019	–	358	77	7,015	966	531	196	9,143
Impairment:								
At October 1, 2017	–	–	15	–	–	–	–	15
Exchange differences	–	–	(1)	–	–	–	–	(1)
At September 30, 2018	–	–	14	–	–	–	–	14
Impairment loss	–	–	–	66	–	–	–	66
Exchange differences	–	–	1	1	–	–	–	2
At September 30, 2019	–	–	15	67	–	–	–	82
Carrying amount:								
At September 30, 2019	5,226	2,639	16,262	4,508	242	411	718	30,006
At September 30, 2018	4,833	2,792	14,803	5,436	297	288	643	29,092
At October 1, 2017	4,703	2,794	15,786	3,115	321	270	300	27,289

The carrying amount of the Group's plant and equipment includes an amount of $747,000 (September 30, 2018 : $1,143,000; October 1, 2017 : $1,142,000) secured in respect of assets held under finance leases.

As at September 30, 2019, freehold land and buildings and leasehold land and building of the Group with an aggregate carrying amount of $17,366,000 (September 30, 2018 : $16,130,000; October 1, 2017 : $16,549,000) are pledged as security to secure bank loans (Note 14).

9 PROPERTY, PLANT AND EQUIPMENT (cont'd)

Fair value measurement of the Group's freehold and leasehold land and buildings

The Group's land and buildings are stated at their revalued amounts, being the fair value at the date of revaluation, less any subsequent accumulated depreciation and subsequent accumulated impairment losses. The fair value measurement on certain freehold and leasehold land and building was performed as at September 30, 2019 and 2018. The fair value measurements were performed by independent valuers not connected with the Group, who have appropriate qualifications and recent experience in the fair value measurement of the properties in the relevant locations. The remainder of the Group's freehold and leasehold land and buildings were not revalued in 2019 and 2018 as management had determined that there were no significant changes to the fair value as at September 30, 2019 and 2018.

The valuation for freehold land and buildings is an estimated amount for which a property could be exchanged on the date of valuation between a willing buyer and a willing seller in an arm's length transaction and the values are based on actual sales transactions for properties that are similar to the freehold land and buildings held by the Group during the year. The valuation for leasehold land and buildings is an estimated amount based on the Direct Comparison Method and Investment Method of Valuation which is the generally accepted valuation approach under the International Valuation Standards. In estimating the fair value of the freehold and leasehold land and buildings, the highest and best use of the freehold and leasehold land and buildings are their current use. There has been no change to the valuation technique during the year.

Details of the Group's land and buildings and information about the fair value hierarchy are as follows:

Group	**Level 1**	**Level 2**	**Level 3**	**Fair value as at September 30, 2019**
	$'000	**$'000**	**$'000**	**$'000**
Non-financial assets measured at fair value				
Freehold land and buildings	–	7,865	–	7,865
Leasehold land and buildings	–	16,262	–	16,262
	–	24,127	–	24,127

Group	**Level 1**	**Level 2**	**Level 3**	**Fair value as at September 30, 2018**
	$'000	**$'000**	**$'000**	**$'000**
Non-financial assets measured at fair value				
Freehold land and buildings	–	7,625	–	7,625
Leasehold land and buildings	–	14,803	–	14,803
	–	22,428	–	22,428

9 PROPERTY, PLANT AND EQUIPMENT (cont'd)

Fair value measurement of the Group's freehold and leasehold land and buildings (cont'd)

Group	Level 1	Level 2	Level 3	Fair value as at October 1, 2017
	$'000	$'000	$'000	$'000
Non-financial assets measured at fair value				
Freehold land and buildings	–	7,497	–	7,497
Leasehold land and buildings	–	15,786	–	15,786
	–	23,283	–	23,283

As at September 30, 2019, the carrying amount of the Group's freehold and leasehold land and buildings stated at valuation would have been $4,570,000 (September 30, 2018 : $4,595,000; October 1, 2017 : $4,999,000) and $7,287,000 (September 30, 2018 : $9,065,000; October 1, 2017 : $9,954,000), respectively, had the freehold land and buildings and leasehold land and buildings been carried at cost less accumulated depreciation.

As at September 30, 2018, the impairment loss of $14,000 (October 1, 2017 : $15,000) was determined in 2015 based on the fair value of the property carried out by an independent valuer, KJPP Renggamis, Hamid & Rekan.

10 GOODWILL

	Group
	$'000
Cost:	
At October 1, 2017, September 30, 2018 and 2019	338
Carrying amount:	
At October 1, 2017, September 30, 2018 and 2019	338

Goodwill acquired in the business combination had been allocated, at acquisition, to SMC Industrial Pte Ltd.

The Group tests goodwill annually for impairment or more frequently if there are indications that goodwill might be impaired.

The recoverable amount of the goodwill is determined from value in use calculations. The key assumptions for the value in use calculations are those regarding the discount rates and growth rates. Management estimates discount rates using post-tax rates that reflect current market assessments of the time value of money and the risks specific to SMC Industrial Pte Ltd. The growth rates are based on industry growth forecasts.

10 GOODWILL (cont'd)

The Group prepares cash flow forecasts derived from the most recent financial budgets approved by management for the next five years and extrapolates cash flows based on an estimated growth rate of 2% (September 30, 2018 : 13.6% to 19.4%; October 1, 2017 : 7.4% to 20.6%). This rate does not exceed the average long-term market growth rate.

The rate used to discount the forecast cash flows is approximately 12% (September 30, 2018 : 12%; October 1, 2017 : 12%).

As at September 30, 2019 and 2018 and October 1, 2017 any reasonably possible change to the key assumptions applied is not likely to cause the recoverable amounts to be below the carrying amount.

11 SUBSIDIARIES

	Company		
	September 30, 2019 $'000	**September 30, 2018 $'000**	**October 1, 2017 $'000**
At cost			
Unquoted equity shares, at cost	31,886	31,486	31,486
Loans to a subsidiary	8,992	9,762	10,518
	40,878	41,248	42,004
Impairment loss	(8,890)	(9,481)	(10,450)
Carrying amount	31,988	31,767	31,554

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

Movement in the allowance for impairment:

	Company		
	September 30, 2019 $'000	**September 30, 2018 $'000**	**October 1, 2017 $'000**
Balance at beginning of year	9,481	10,450	10,450
Reversal during the year	(591)	(969)	–
Balance at end of year	8,890	9,481	10,450

The Company carried out a review of the recoverable amounts of its investment in subsidiaries where there was an indication that the investments had suffered an impairment loss. The review concluded that a reversal of impairment of $591,000 (2018 : $969,000) is required on the carrying amount of the investments. The recoverable amount is determined based on the estimated fair value less cost to sell of the underlying assets of the individual subsidiary.

11 SUBSIDIARIES (cont'd)

The subsidiaries of the Company are set out below:

Name of subsidiary	Country of incorporation and operation	Proportion of ownership interest and voting power held			Principal activity
		September 30, 2019 %	September 30, 2018 %	October 1, 2017 %	
Held by the Company					
CED System Sdn. Bhd. [(b)]	Malaysia	100	100	100	ED coating
Hong Nam Industry (M) Sdn. Bhd. [(b)]	Malaysia	100	100	100	ED coating
Macore Technology (M) Sdn. Bhd. [(b)]	Malaysia	100	100	100	ED coating
PNE Marvellous Sdn. Bhd. [(b)]	Malaysia	100	100	100	Property investment holding
SYH E-Waste Management Pte. Ltd. [(a)]	Singapore	100	100	100	Metal stamping
PNE Micron Engineering Sdn. Bhd. [(b)]	Malaysia	100	100	100	Metal stamping
PNE Micron (Kuala Lumpur) Sdn. Bhd. [(b)]	Malaysia	100	100	100	ED coating
PNE Precision Sdn. Bhd. [(b)]	Malaysia	100	100	100	Metal stamping
SYH Resources Pte. Ltd. [(a)]	Singapore	100	100	100	Trading of commodities, waste management
PNE-Sino Pte Ltd [(a)]	Singapore	100	100	100	Investment holding
SMC Industrial Pte Ltd [(a)]	Singapore	100	100	100	Trading of commodities, waste management
Held by PNE-Sino Pte Ltd					
PT. PNE Indonesia [(b)]	Indonesia	100	100	100	ED coating
PT Le Royaume PNE [(c)]	Indonesia	100	100	100	Investment holding
Held by SMC Industrial Pte Ltd					
SMC Industrial (HK) Limited [(c)]	Hong Kong	100	100	100	Waste management
SMC Industrial (UK) Co Ltd [(c)]	United Kingdom	100	100	100	Waste management
SMCI Refinery Pte Ltd [(c)] [(d)]	Singapore	100	-	-	Waste management

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

(b) Audited by overseas practices of Deloitte Touche Tohmatsu Limited.

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

(d) Incorporated during the year.

11 SUBSIDIARIES (cont'd)

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

Principal activity	Country of incorporation and operation	Number of wholly-owned subsidiaries		
		September 30, 2019	September 30, 2018	October 1, 2017
Metal stamping	Singapore, Malaysia	3	3	3
Investment holding company	Singapore, Indonesia	2	2	2
Property investment holding	Malaysia	1	1	1
ED coating	Malaysia, Indonesia	5	5	5
Trading of commodities	Singapore	2	2	2
Waste management	Hong Kong, United Kingdom, Singapore	3	2	2
		16	15	15

12 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	Group		
	September 30, 2019 $'000	September 30, 2018 $'000	October 1, 2017 $'000
Keyman life insurance policies at fair value:			
- Balance at beginning of year	3,985	3,359	3,316
- Additions	–	465	–
- Increase in fair value recognised in profit or loss	91	68	66
- Exchange difference	25	93	(23)
- Balance at end of year	4,101	3,985	3,359

12 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (cont'd)

Certain keyman life insurance policies relate to life insurance contracts purchased by one of the subsidiaries - SMC Industrial Pte Ltd for one of its executive directors - Mr Koh Mia Seng. The total insured amount of the three contracts (September 30, 2018 : three contracts; October 1, 2017 : three contracts) are US$10,000,000 ($13,793,000) [(September 30, 2018 : US$10,000,000 ($13,711,000); October 1, 2017 : US$10,000,000 ($13,494,000)]. The contracts will mature on the date when the insured person reaches the age of 100, or death of the insured person whichever is earlier. At the time of death of the insured person, 100% of the insured amount plus the accumulated investment returns will be payable to the Group.

In 2018, SMC Industrial Pte Ltd purchased a keyman life insurance policy for its general manager. The insured amount of the contract is US$1,500,000 ($2,069,000) [September 30, 2018 : US$1,500,000 ($2,057,000)]. The contract will mature on the date when the insured person reaches the age of 125, or death of the insured person whichever is earlier. At the time of death of the insured person, 100% of the insured amount plus the accumulated investment returns will be payable to the Group.

At the end of the reporting period, the cash surrender value of keyman life insurance policies is US$2,973,000 ($4,101,000) [September 30, 2018 : US$2,906,000 ($3,985,000); October 1, 2017 : US$2,489,000 ($3,359,000)]. The difference between the premiums of US$3,340,000 ($4,441,000) [September 30, 2018 : US$3,340,000 ($4,441,000); October 1, 2017 : US$2,898,000 ($3,859,000)] paid and initial cash surrender value of US$2,651,000 ($3,526,000) [September 30, 2018 : US$2,651,000 ($3,526,000); October 1, 2017 : US$2,297,000 ($3,061,000)] at inception date is recorded as prepayments (Note 7) and amortised over 8 to 19 years (September 30, 2018 : 8 to 19 years; October 1, 2017 : 13 to 19 years).

The fair value of investment-linked keyman life insurance policies is based on the total cash surrender value of the contracts stated in the annual statements of these policies (Level 2).

The keyman life insurance policies are pledged to banks to secure banking facilities granted to the Group (Note 14).

13 DEFERRED TAX

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

	Accelerated tax depreciation $'000	Revaluation of land and buildings $'000	Others $'000	Total $'000
GROUP				
At October 1, 2017	366	1,180	(140)	1,406
(Credit) Charge to:				
- Profit or loss (Note 26)	(74)	(124)	(34)	(232)
- Other comprehensive income (Note 26)	–	114	6	120
Exchange differences	16	(9)	(4)	3
At September 30, 2018	308	1,161	(172)	1,297
(Credit) Charge to:				
- Profit or loss (Note 26)	297	(125)	(5)	167
- Other comprehensive income (Note 26)	–	624	20	644
Exchange differences	(3)	(5)	6	(2)
At September 30, 2019	602	1,655	(151)	2,106

Certain deferred tax liabilities and assets have been offset in accordance with the Group's accounting policy. The following is the analysis of the deferred tax balances (after offset) for the purpose of presenting on statement of financial position:

	Group		
	September 30, 2019 $'000	September 30, 2018 $'000	October 1, 2017 $'000
Deferred tax liabilities	2,106	1,354	1,455
Deferred tax assets	–	(57)	(49)
	2,106	1,297	1,406

Subject to the agreement by the tax authorities in the relevant foreign tax jurisdictions in which the Group operates and conditions imposed by law, the Group has unutilised tax losses, unutilised reinvestment allowances, unutilised capital allowances and tax incentives of $4,701,000, $3,409,000, $2,124,000 and $12,000 (September 30, 2018 : $4,681,000, $3,411,000, $1,304,000 and $12,000; October 1, 2017 : $4,664,000, $3,319,000, $775,000 and $12,000) for offset against future profits, respectively. No deferred tax asset has been recognised in respect of the tax losses due to the unpredictability of future profit streams.

14 BANK OVERDRAFTS, LOANS AND TRADE BILLS

	Group			Company		
	September 30, 2019 $'000	September 30, 2018 $'000	October 1, 2017 $'000	September 30, 2019 $'000	September 30, 2018 $'000	October 1, 2017 $'000
Bank overdrafts (Note 6)	325	1,072	711	–	–	–
Loans	9,174	9,474	10,737	1,000	1,000	1,283
Trade bills	51,829	49,221	35,586	–	–	–
	61,328	59,767	47,034	1,000	1,000	1,283
Classified as:						
- Current	58,970	56,498	42,951	1,000	1,000	1,283
- Non-current	2,358	3,269	4,083	–	–	–
	61,328	59,767	47,034	1,000	1,000	1,283

The Group's term loan facilities of $5,574,000 (September 30, 2018 : $4,886,000; October 1, 2017 : $6,182,000), revolving credit facilities of $3,600,000 (September 30, 2018 : $4,588,000; October 1, 2017 : $4,555,000), overdraft facility of $325,000 (September 30, 2018 : $1,072,000; October 1, 2017 : $711,000), and trade facilities of $51,829,000 (September 30, 2018 : $49,221,000; October 1, 2017 : $35,586,000) are secured on one or more of the following:

a. Mortgage over certain freehold land and buildings of the Group (Note 9);

b. Mortgage over a leasehold land and building of a subsidiary with carrying amount of $11,500,000 (September 30, 2018 : $11,500,000; October 1, 2017 : $12,000,000) (Note 9);

c. Deposits pledged with financial institutions amounting to $17,088,000 (September 30, 2018 : $16,013,000; October 1, 2017 : $7,865,000) (Note 6);

d. Corporate guarantee given by the Company;

e. Personal guarantee by a Director;

f. Assignment of three life insurance policies assured on a Director of the subsidiary (Note 12); and

g. Assignment of one life insurance policy assured on a general manager of the subsidiary (Note 12).

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

14 BANK OVERDRAFTS, LOANS AND TRADE BILLS (cont'd)

Reconciliation of liabilities arising from financing activities

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

				Non-cash changes		
	October 1, 2018 $'000	Financing cash flow (i) $'000	New loan $'000	New finance lease (ii) $'000	Foreign exchange movement $'000	September 30, 2019 $'000
Loans (Note 14)	9,474	(1,168)	857	–	11	9,174
Finance leases (Note 16)	1,022	(337)	–	186	–	871
	10,496	(1,505)	857	186	11	10,045

			Non–cash changes		
	October 1, 2017 $'000	Financing cash flow (i) $'000	New finance lease (ii) $'000	Foreign exchange movement $'000	September 30, 2018 $'000
Loans (Note 14)	10,737	(1,328)	–	65	9,474
Finance leases (Note 16)	816	(296)	502	–	1,022
	11,553	(1,624)	502	65	10,496

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

(ii) Please refer to Note A in the consolidated statement of cash flows.

15 TRADE AND OTHER PAYABLES

	Group			Company		
	September 30, 2019 $'000	September 30, 2018 $'000	October 1, 2017 $'000	September 30, 2019 $'000	September 30, 2018 $'000	October 1, 2017 $'000
Current						
Outside parties, trade	11,897	10,832	6,072	–	–	–
Subsidiaries, non-trade (Note 11)	–	–	–	4,258	2,780	2,249
Accrued expenses	2,080	1,910	2,329	346	392	511
Amount due to a Director (Note 5)	–	674	674	–	674	674
Other payables	468	1,072	801	13	28	–
	14,445	14,488	9,876	4,617	3,874	3,434
Non-current						
Other payables	78	53	63	–	–	–
Total	14,523	14,541	9,939	4,617	3,874	3,434

15 TRADE AND OTHER PAYABLES (cont'd)

Trade payables principally comprise amounts outstanding for trade purchases and ongoing costs. The average credit period on purchase of goods is 30 days (September 30, 2018 : 30 days; October 1, 2017 : 30 days). No interest is charged on the outstanding balance of trade payables.

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

16 FINANCE LEASES

	Minimum lease payments			Present value of minimum lease payments		
	September 30, 2019 $'000	September 30, 2018 $'000	October 1, 2017 $'000	September 30, 2019 $'000	September 30, 2018 $'000	October 1, 2017 $'000
GROUP						
Amounts payable under finance leases:						
- Within one year	331	344	260	309	319	238
- In the second to fifth years inclusive	581	729	606	562	703	578
	912	1,073	866	871	1,022	816
Less: Future finance charges	(41)	(51)	(50)	–	–	–
Present value of lease obligations	871	1,022	816	871	1,022	816
Less: Amount due for settlement within 12 months (shown under current liabilities)				(309)	(319)	(238)
Amount due for settlement after 12 months				562	703	578

It is the Group's policy to lease certain of its plant and equipment under finance leases. The leases bear an average interest rate of 2.8% to 3.7% (September 30, 2018 : 2.8% to 3.6%; October 1, 2017 : 3.1% to 4.4%) per annum and are repayable over an average lease term of 3 to 5 years (September 30, 2018 : 4 to 5 years; October 1, 2017 : 5 years). Interest rates are fixed at the contract dates, and thus expose the Group to fair value interest rate risk. All leases are on a fixed repayment basis with no arrangements entered into for contingent rental payments.

The Group's obligations under finance leases are secured by the lessors' title to the leased assets.

17 CONVERTIBLE NOTES

The convertible notes ("Notes") were issued on October 30, 2015 and January 18, 2016, and matured on April 30, 2018 and July 18, 2018 respectively. The Notes accrued interest at 8% per annum with interest payable semi-annually until settlement date.

The Notes were convertible at an initial conversion rate of $0.072 per ordinary share. The conversion price may be further adjusted for certain specified dilutive and other events.

The holders of the Notes may tender their Notes for conversion for a period of 2.5 years from the date of issue, for a minimum principal amount of $300,000 in any single transaction (unless consent is received from the Company), without limitation, by giving at least 7 business days' notice in writing to the Company.

The net proceeds received from the issue of the Notes had not been split between the liability element and an equity component, as management had deemed the fair value of the embedded conversion option to be insignificant.

As at September 30, 2018, the convertible notes had been fully redeemed.

18 SHARE CAPITAL

	Group and Company			
	September 30, 2019	September 30, 2018	September 30, 2019	September 30, 2018
	Number of ordinary shares		$'000	$'000
	'000	'000		
Issued and paid up:				
At the beginning and end of year	864,280	864,280	40,255	40,255

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

19 MERGER DEFICIT

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

20 TRANSLATION RESERVE

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

21 REVALUATION RESERVE

The revaluation reserve arises on the revaluation of land and buildings. Where revalued buildings are sold, the portion of property revaluation reserve that relates to that asset, and is effectively realised, is transferred directly to retained earnings.

	Group	
	September 30, 2019 $'000	September 30, 2018 $'000
At the beginning of the year	8,623	8,066
Revaluation increase	2,545	557
Reversal of deferred tax liabilities on disposal of property	–	–
Disposal of property	–	–
Transfer of revaluation surplus to retained earnings upon disposal of property	–	–
At the end of the year	11,168	8,623

22 CAPITAL RESERVE

The capital reserve represents the effects of changes in ownership interests in a subsidiary when there is no change in control (Note 11).

23 REVENUE

	Group	
	2019 $'000	2018 $'000
Timing of revenue recognition		
At a point in time:		
Sale of goods	229,307	227,084
Revenue from the provision of electro-deposition coating services	14,135	13,738
	243,442	240,822

24 OTHER OPERATING INCOME

	Group	
	2019 $'000	2018 $'000
Rental income	56	676
Interest income	241	113
Scrap sales	39	51
Fair value increase in financial assets at FVTPL	91	68
Management and administrative fees	464	517
Others	243	101
	1,134	1,526

25 FINANCE COSTS

	Group	
	2019	2018
	$'000	$'000
Interest expenses on:		
- bank overdraft, loans and trade bills	2,539	2,038
- obligations under finance leases	28	29
	2,567	2,067

26 INCOME TAX EXPENSE

	Group	
	2019	2018
	$'000	$'000
Current tax expense:		
- Current year	1,069	1,076
- Overprovision in prior years	(55)	(101)
	1,014	975
Deferred tax expense relating to:		
- Origination and reversal of temporary differences	(70)	(230)
- Under (Over) provision in prior years	237	(2)
	167	(232)
Income tax expense for the year	1,181	743

Domestic income tax is calculated at 17% (2018 : 17%) of the estimated assessable profit for the year. Taxation for other jurisdictions is calculated at the rates prevailing in the relevant jurisdictions.

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

	Group	
	2019	2018
	$'000	$'000
Profit before income tax	1,202	2,644
Tax at statutory rate at 17%	204	449
Effects of different tax rates of subsidiaries reporting in other jurisdictions	298	252
Income exempt from taxation	(31)	(296)
Non-deductible expenses	514	525
Deferred tax assets not recognised	143	23
Utilisation of deferred tax assets previously not recognised	(2)	–
Overprovision of income tax in prior years	(55)	(101)
Under (Over) provision of deferred tax in prior years	237	(2)
Others	(127)	(107)
Total income tax expense	1,181	743

26 INCOME TAX EXPENSE (cont'd)

Income tax relating to each component of other comprehensive income

	Group	
	2019 $'000	2018 $'000
Deferred tax		
Revaluation of land and buildings	624	114
Post-employment benefits liability	1	6

27 PROFIT FOR THE YEAR

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

	Group	
	2019 $'000	2018 $'000
Depreciation of property, plant and equipment		
Depreciation of property, plant and equipment	3,246	2,900
Employee benefits expense (including Directors' remuneration)		
Directors' remuneration:		
- of the Company	762	802
- of subsidiaries	693	673
	1,455	1,475
Directors' fees:		
- of the Company	85	85
Other staff costs	10,528	9,561
Defined contributions plans	537	461
Defined benefits plans	22	2
Total employee benefits expense	12,627	11,584
Others		
Loss allowance for receivables	58	–
Bad debts written off on other receivables	4	–
Net foreign exchange (gain) loss	(7)	353
Gain on disposal of property, plant and equipment	(4)	(11)
Property, plant and equipment written off	4	1
Impairment loss on property, plant and equipment	66	–
Allowance (Reversal of) for inventories	4	(25)
Cost of inventories recognised as expense	229,675	226,789
Audit fees paid to auditors:		
- Auditors of the Company	187	182
- Other auditors	75	45
	262	227
Non-audit fees paid to auditors of the Company	–	–
Aggregate amount of fees paid to auditors	262	227

28 EARNINGS PER SHARE

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

	2019 $'000	2018 $'000
Number of shares		
Weighted average number of ordinary shares for the purposes of basic earnings per share	864,280	864,280
Weighted average number of ordinary shares for the purposes of diluted earnings per share	864,280	864,280

	2019 $'000	2018 $'000
Earnings		
Profit attributable to owners of the Company	21	1,901
Basic earnings per share (cents)	–*	0.22
Fully diluted earnings per share (cents)	–*	0.22

* *Amount less than 0.01 cent*

There were no dilution of earnings per share for the financial year ended September 30, 2019 and 2018 as there were no potential ordinary shares outstanding.

29 COMMITMENTS

(a) Operating lease arrangements

The Group as lessee

	Group	
	2019 $'000	2018 $'000
Minimum lease payments under operating leases included in the profit or loss	762	862

The Group leases a number of warehouse and factory facilities under operating leases. The leases typically run for a period of two years, with an option to renew the lease after that date. Lease payments are increased every two years to reflect market rentals.

29 COMMITMENTS (cont'd)

(a) Operating lease arrangements (cont'd)

The Group as lessee (cont'd)

At the end of the reporting period, the commitments in respect of non-cancellable operating leases for warehouse and factory were as follows:

	Group			Company		
	September 30, 2019 $'000	September 30, 2018 $'000	October 1, 2017 $'000	September 30, 2019 $'000	September 30, 2018 $'000	October 1, 2017 $'000
Future minimum lease payments payable:						
Within one year	507	483	642	–	–	–
In the second to fifth years inclusive	2,228	1,732	1,751	–	–	–
After five years	1,255	1,778	2,266	–	–	–
Total	3,990	3,993	4,659	–	–	–

The Group as lessor

The Group sublets its property in Singapore.

At the end of the reporting period, the Group has contracted with a tenant for the following future minimum lease payments:

	Group			Company		
	September 30, 2019 $'000	September 30, 2018 $'000	October 1, 2017 $'000	September 30, 2019 $'000	September 30, 2018 $'000	October 1, 2017 $'000
Future minimum lease payments payable:						
Within one year	–	40	556	–	–	–
In the second to fifth years inclusive	–	–	232	–	–	–
Total	–	40	788	–	–	–

(b) Financial guarantee contracts

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

A provision is recognised based on the Company's estimate of the ultimate cost of settling all claims incurred but unpaid at the reporting date. The provision is assessed by reviewing individual claims and tested for adequacy by comparing the amount recognised and the amount that would be required to settle the guarantee contract.

29 COMMITMENTS (cont'd)

(b) Financial guarantee contracts (cont'd)

The principal risk to which the Company is exposed is credit risk in connection with the guarantee contracts it has issued. The credit risk represents the loss that would be recognised upon a default by the parties to which the guarantees were given on behalf of. To mitigate these risks, management continually monitors the risks and has established processes including performing credit evaluations of the parties it is providing the guarantee on behalf of.

There are no terms and conditions attached to the guarantee contracts that would have a material effect on the amount, timing and uncertainty of the Company's future cash flows.

The intra-group financial guarantees are eliminated in preparing the consolidated financial statements. Estimates of the Company's obligation arising from financial guarantee contracts may be affected by future events, which cannot be predicted with any certainty. The assumptions made may well vary from actual experience so that the actual liability may vary considerably from the best estimates.

Intra-group financial guarantees comprise guarantees granted by the Company to banks in respect of banking facilities extended to subsidiaries amounting to $66,685,000 (September 30, 2018 : $61,325,000; October 1, 2017 : $46,039,000) of which $61,199,000 (September 30, 2018 : $52,594,000; October 1, 2017 : $41,010,000) was drawn down as at September 30, 2019. The financial guarantees expire between 1 and 10 years (September 30, 2018 and October 1, 2017 : between 1 and 5 years).

30 SEGMENT INFORMATION

(a) Reportable segments

For the purpose of resource allocation and assessment of segment performance, the Group's chief operating decision makers have focused on the business operating units which in turn, are segregated based on the types of goods supplied and services provided.

The Metal components and tool and die segment, ED coating segment and Commodities segment offer different products and services, and are managed separately because they require different technology and marketing strategies. For each of the segments, the Group's CEO who is the chief operating decision maker reviews internal management reports on at least a monthly basis. The following summary describes the operations in each of the Group's reportable segments:

- Metal components and tool and die - includes manufacturing and sale of perforated materials, speakers nets, tool, die and other metal components.
- ED coating - includes electro-deposition (ED) coating services and secondary process.
- Commodities - trading of commodities, which include copper, stainless steel, other special alloys. Since the end of 2017, the Group expanded this segment to include processing and trading of e-waste raw material into its metal elements.
- Others - corporate.

30 SEGMENT INFORMATION (cont'd)

(a) Reportable segments (cont'd)

There are varying levels of integration between the Metal components and ED coating reportable segments. This integration includes ED coating services for metal component, shared customers, sale of equipment and provision of maintenance services and rental of industrial properties. Inter-segment pricing is determined on an arm's length basis.

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

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

	Metal components and tool and die $'000	ED Coating $'000	Commodities $'000	Others $'000	Inter-segment elimination $'000	Group $'000
2019						
Revenue	4,413	14,135	227,557	1,073	(3,736)	243,442
Cost of sales	(3,411)	(8,465)	(220,985)	(21)	3,207	(229,675)
Segment result	1,002	5,670	6,572	1,052	(529)	13,767
Other operating income						1,134
Distribution costs						(1,405)
Administrative expenses						(9,444)
Other operating expenses						(283)
Finance costs						(2,567)
Profit before income tax						1,202
Income tax expense						(1,181)
Profit for the year						21
Segment assets	8,685	17,649	100,329	36,880	(40,661)	122,882
Segment liabilities	1,930	6,552	74,689	17,197	(21,288)	79,080
Other segment information						
Additions to non-current assets	1,318	233	611	2	(1,255)	909
Depreciation expenses	52	738	2,440	16	–	3,246
Impairment loss on property, plant and equipment	–	66	–	–	–	66
Revaluation of properties	274	1,239	1,032	–	–	2,545
Fair value change of financial assets at FVTPL	–	–	91	–	–	91
Exchange differences on translation of foreign operations						88

30 SEGMENT INFORMATION (cont'd)

(a) Reportable segments (cont'd)

	Metal components and tool and die $'000	ED Coating $'000	Commodities $'000	Others $'000	Inter-segment elimination $'000	Group $'000
2018						
Revenue	4,535	13,738	224,399	918	(2,768)	240,822
Cost of sales	(3,183)	(8,904)	(216,899)	(35)	2,232	(226,789)
Segment result	1,352	4,834	7,500	883	(536)	14,033
Other operating income						1,526
Distribution costs						(1,299)
Administrative expenses						(9,110)
Other operating expenses						(439)
Finance costs						(2,067)
Profit before income tax						2,644
Income tax expense						(743)
Profit for the year						1,901
Segment assets	8,003	15,890	97,663	37,993	(41,338)	118,211
Segment liabilities	2,049	7,577	72,321	17,881	(22,765)	77,063
Other segment information						
Additions to non-current assets	101	264	4,217	–	(17)	4,565
Depreciation expenses	36	778	2,059	27	–	2,900
Revaluation of properties	–	–	557	–	–	557
Fair value change of financial assets to FVTPL	–	–	68	–	–	68
Exchange differences on translation of foreign operations						18

30 SEGMENT INFORMATION (cont'd)

(b) Geographical information

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

	Revenue		Non-current assets		
	2019 $'000	2018 $'000	September 30, 2019 $'000	September 30, 2018 $'000	October 1, 2017 $'000
Singapore	21,032	22,479	18,521	18,272	18,139
People's Republic of China	74,260	73,751	–	–	–
Malaysia	28,401	16,058	10,652	10,266	10,175
Indonesia	3,576	3,103	5,904	5,571	3,349
South Korea	47,503	32,785	–	–	–
Taiwan	41,578	54,099	–	–	–
Japan	15,840	19,707	–	–	–
Others	11,252	18,840	2	8	–
Total	243,442	240,822	35,079	34,117	31,663

Non-current assets presented comprise property, plant and equipment, goodwill, other receivables and financial assets at fair value through profit or loss.

(c) Information about major customers

The Group's customer base includes five (2018 : five) customers from its commodities segment with whom transactions amounted to 42.10% (2018 : 38.6%) of the Group's revenues. In 2019, revenues generated from these customers amounted to approximately $102,479,000 (2018 : $93,048,000). Details of concentration of credit risk arising from these customers are set out in Note 4.

31 DERIVATIVE FINANCIAL INSTRUMENTS

Forward foreign exchange contracts

The Group utilises forward foreign exchange contracts to manage its exposure to significant foreign exchange transactions on its future transactions and cash flows. The Group is party to a variety of forward foreign exchange contracts in the management of its exchange rate exposures. The instruments purchased are primarily denominated in the currencies of the Group's principal markets.

At the end of the reporting period, the total notional amounts of derivative financial instruments to which the Group is committed to are as follows:

	Group			Company		
	September 30, 2019 $'000	September 30, 2018 $'000	October 1, 2017 $'000	September 30, 2019 $'000	September 30, 2018 $'000	October 1, 2017 $'000
Forward foreign exchange contracts:						
- Buy Singapore dollar sell United States dollar	–	–	951	–	–	–

The average maturity period for forward foreign exchange contracts is 1 month.

31 DERIVATIVE FINANCIAL INSTRUMENTS (cont'd)

Forward commodity contracts

The Group utilises forward commodity contracts to manage the fluctuations in world copper and aluminium prices.

At the end of the reporting period, the total notional amounts of derivative financial instruments to which the Group is committed to are as follows:

	Group			Company		
	September 30, 2019 $'000	September 30, 2018 $'000	October 1, 2017 $'000	September 30, 2019 $'000	September 30, 2018 $'000	October 1, 2017 $'000
Purchase forward commodity contracts:						
- Copper	995	2,994	218	–	–	–
- Aluminium	–	146	–	–	–	–

The average maturity period for forward commodity contracts is 3 months (September 30, 2018 and October 1, 2017 : 3 months).

The Group does not apply hedge accounting for both types of derivative financial instruments. The fair value of the derivative financial instruments are insignificant as at the end of the reporting period.

32 ADOPTION OF A NEW FINANCIAL REPORTING FRAMEWORK

The Group and the Company adopted the new financial reporting framework - Singapore Financial Reporting Standards (International) ("SFRS(I)") for the first time for financial year ended September 30, 2019 and SFRS(I) 1 *First-time Adoption of Singapore Financial Reporting Standards (International)* has been applied in the first set of SFRS(I) financial statements. SFRS(I) is identical to the International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board (IASB).

As a first-time adopter of SFRS(I), the Group and the Company have applied retrospectively, accounting policies based on each SFRS(I) effective as at end of the first SFRS(I) reporting period (September 30, 2019), except for areas of exceptions and optional exemptions set out in SFRS(I) 1. In the first set of SFRS(I) financial statements for the financial year ended September 30, 2019, an additional opening statement of financial position as at date of transition (October 1, 2017) is presented, together with related notes. Reconciliation statements from previously reported FRS amounts and explanatory notes on transition adjustments are presented for equity as at date of transition (October 1, 2017) and as at end of last financial period under FRS (September 30, 2018), and for total comprehensive income and cash flows reported for the last financial period under FRS (for the year ended September 30, 2018). Additional disclosures are made for specific transition adjustments if applicable.

There is no change to the Group's and the Company's previous accounting policies under FRS or material adjustments on the initial transition to the new framework, other than those arising from the application of SFRS(I) 9 *Financial Instruments* and SFRS(I) 15 *Revenue from Contracts with Customers* which are effective at the same time, and the election of certain transition options available under SFRS(I) 1.

32 ADOPTION OF A NEW FINANCIAL REPORTING FRAMEWORK (cont'd)

Management has elected the following transition exemptions:

SFRS(I) 3 Business Combinations has not been applied to acquisitions of subsidiaries that are considered businesses under SFRS(I) that occurred before October 1, 2017. The FRS carrying amounts of assets and liabilities determined in that business combination, that are required to be recognised under SFRS(I), are the deemed cost at the date of the acquisition. After the date of the acquisition, measurement is in accordance with SFRS(I). Assets and liabilities that do not qualify for recognition under SFRS(I) are excluded from the opening SFRS(I) statement of financial position. The Group did not recognise or exclude any previously recognised amounts as a result of SFRS(I) recognition requirements.

SFRS(I) 1 also requires that the FRS carrying amount of goodwill must be used in the opening SFRS(I) statement of financial position (apart from adjustments for goodwill impairment and recognition or derecognition of intangible assets). In accordance with SFRS(I) 1, the Group has tested goodwill for impairment at the date of transition to SFRS(I). No additional goodwill impairment was deemed necessary at October 1, 2017.

33 EVENTS AFTER THE REPORTING PERIOD

On October 21, 2019, the Company entered into a subscription agreement for the allotment and issuance of 120,000,000 ordinary shares for an aggregate consideration of $6,000,000. The consideration was received on December 19, 2019.

34 STANDARDS ISSUED BUT NOT YET EFFECTIVE

At the date of authorisation of these financial statements, the following SFRS(I)s pronouncements were issued but not effective and are expected to have an impact to the Group and the Company in the periods of their initial application.

Effective for annual periods beginning on or after January 1, 2019

- SFRS(I) 16 *Leases*

SFRS(I) 16 *Leases*

The Standard provides a comprehensive model for the identification of lease arrangements and their treatment in the financial statements of both lessees and lessors. The identification of leases, distinguishing between leases and service contracts, are determined on the basis of whether there is an identified asset controlled by the customer.

Significant changes to lessee accounting are introduced, with the distinction between operating and finance leases removed and assets and liabilities are recognised in respect of all leases (subject to limited exemptions for short-term leases and leases of low value assets). The Standard maintains substantially the lessor accounting approach under the existing framework.

34 STANDARDS ISSUED BUT NOT YET EFFECTIVE (cont'd)

SFRS(I) 1-17 does not require the recognition of any right-of-use asset or liability for future payments for the operating leases that the Group enters into. Under SFRS(I) 16, the Group may be required to recognise a right-of-use asset and a corresponding liability in respect of all leases unless they qualify for low value or short-term leases upon the application of SFRS(I) 16. Additional disclosures may also be made with respect to leases, including any significant judgement and estimation made in distinguishing between leases and service contracts, on the basis of whether an identified asset controlled by the customer exists.

As at September 30, 2019, the Group has non-cancellable operating lease commitments of $3,990,000 (2018 : $3,993,000) as disclosed in Note 29. A preliminary assessment indicates that these arrangements will meet the definition of a lease under SFRS(I) 16, and hence the Group will recognise a right-of-use asset and a corresponding liability in respect of all these leases unless they qualify for low value or short-term leases upon application of SFRS(I) 16. The new requirement to recognise a right-of-use asset and a related lease liability is expected to have a significant impact on the amounts recognised in the Group's financial statements and management is currently assessing its potential impact.

No.	Location	Description	Existing Use	Tenure	Gross floor area (sq ft)
1	No. 16 Jalan Mahir 5 Taman Perindustrian Cemerlang 81800 Ulu Tiram Johor Darul Takzim Malaysia	3 storey office and factory building	Office/ factory	Freehold	50,941
2	No. 21 Jalan Gemilang 3 Taman Perindustrian Cemerlang 81800 Ulu Tiram Johor Darul Takzim Malaysia	2 storey office and factory building	Office/ factory	Freehold	18,472
3	No. 23 Jalan Gemilang 3 Taman Perindustrian Cemerlang 81800 Ulu Tiram Johor Darul Takzim Malaysia	2 storey office and factory building	Office/ factory	Freehold	18,472
4	No. 25 Jalan Gemilang 3 Taman Perindustrian Cemerlang 81800 Ulu Tiram Johor Darul Takzim Malaysia	2 storey office and factory building	Office/ factory	Freehold	14,403
5	No. 27 Jalan Gemilang 3 Taman Perindustrian Cemerlang 81800 Ulu Tiram Johor Darul Takzim Malaysia	2 storey office and factory building	Office/ factory	Freehold	14,403
6	No. 29 Jalan Gemilang 3 Taman Perindustrian Cemerlang 81800 Ulu Tiram Johor Darul Takzim Malaysia	2 storey office and factory building	Office/ factory	Freehold	14,403
7	Plot 97 Jalan PKNK 1 Rancang Industrial Park Kawasan Perusahaan Sungai Petani (LPK) 08000 Sungai Petani Kedah Darul Aman Malaysia	2 storey office and factory building	Office/ factory	Leasehold 60 years from 23/11/1994 to 22/11/2054	25,446
8	Plot 98 Jalan PKNK 1 Rancang Industrial Park Kawasan Perusahaan Sungai Petani (LPK) 08000 Sungai Petani Kedah Darul Aman Malaysia	2 storey office and factory building	Office/ factory	Leasehold 60 years from 23/11/1994 to 22/11/2054	18,966

No.	Location	Description	Existing Use	Tenure	Gross floor area (sq ft)
9	Plot 99 Jalan PKNK 1 Rancang Industrial Park Kawasan Perusahaan Sungai Petani (LPK) 08000 Sungai Petani Kedah Darul Aman Malaysia	2 storey office and factory building	Office/ factory	Leasehold 60 years from 23/11/1994 to 22/11/2054	19,773
10	Plot 100 Jalan PKNK 1 Rancang Industrial Park Kawasan Perusahaan Sungai Petani (LPK) 08000 Sungai Petani Kedah Darul Aman Malaysia	2 storey office and factory building	Office/ factory	Leasehold 60 years from 23/11/1994 to 22/11/2054	25,737
11	Lot 19 Jalan Jaya Setia 26/3, Section 26 Hicom Industrial Estate 40400 Shah Alam Selangor Darul Ehsan Malaysia	2 storey office and factory building	Office/ factory	Freehold	30,765
12	HGB No 10344 (Oakwood Cluster) Cibatu Alam Permai Complex Jalan Alam Permai I 33 Cibatu Cikarang Selatan 17550 Bekasi Indonesia	2 storey building	Hostel	Leasehold 13 years from 15/08/2011 to 24/09/2024	1,528
13	GB No 2154 Pasirsari Kawasan Industri Karyadeka Pancamurni Block B Kav. I Pasirsari 17550 Cikarang Bekasi Indonesia	2 storey office and factory building	Office/ factory	Leasehold 25 years from 08/08/2001 to 24/09/2026	80,524
14	3 Jalan Pesawat Singapore 619361	2 storey office and factory building	Office/ factory	Leasehold 60 years from 01/01/1968 to 31/12/2028	117,790

STATISTICS OF
SHAREHOLDINGS

As at December 13, 2019

Share Capital

Issued and Fully Paid-up Capital	:	S$40,255,000
Number of shares	:	864,280,038
Treasury Shares	:	Nil
Subsidiary holdings held	:	Nil
Number of Shareholders	:	782
Class of Equity Security	:	Ordinary Shares
Voting Rights of Ordinary Shareholders	:	One vote for each ordinary share

% of the aggregate number of treasury shares and subsidiary holdings held against the total number of issued share in issue (excluding treasury shares and subsidiary holdings) – 0%

RANGE OF SHAREHOLDINGS	NO. OF SHAREHOLDERS	%	NO. OF SHARES	%
1-99	15	1.92	104	0.00
100 – 1,000	39	4.99	29,448	0.00
1,001 – 10,000	163	20.84	845,600	0.10
10,001 – 1,000,000	512	65.47	84,943,130	9.83
1,000,001 AND ABOVE	53	6.78	778,461,756	90.07
	782	100.00	864,280,038	100.00

MAJOR SHAREHOLDERS LIST – TOP 20

NO.	NAME	NO. OF SHARES HELD	%
1	KOH MIA SENG	369,109,046	42.71
2	DI LINGBIN	100,000,000	11.57
3	LIEW NYOK WAH	62,000,000	7.17
4	PHILLIP SECURITIES PTE LTD	24,477,900	2.83
5	DBS NOMINEES PTE LTD	13,308,410	1.54
6	GAN KIM KUAN SERENE	13,270,000	1.54
7	TAN BEE HONG	12,567,000	1.45
8	SING KHANG MIANT	11,868,800	1.37
9	OCBC SECURITIES PRIVATE LTD	11,431,000	1.32
10	CHEW CHOO LING	10,320,300	1.19
11	SHENTU HONG	9,780,000	1.13
12	YANG WENHUA	9,350,000	1.08
13	YEOH SOON HENG	7,162,600	0.83
14	PECK CHENG CHIANG @ PEH SENG THONG	6,783,000	0.79
15	TAY MEI LING SERENE	6,459,000	0.75
16	TAN KONG SIN	6,177,900	0.72
17	YU LIHONG	6,000,000	0.69
18	YAP MENG SING @ YAP AH KOW	5,450,000	0.63
19	ANG KIM LYE	5,439,100	0.63
20	RHB SECURITIES SINGAPORE PTE LTD	5,311,400	0.62
		696,265,456	80.56

Substantial Shareholders
as shown in the Register of Substantial Shareholders

		Direct Interest		Deemed Interest	
S/No	Name of Shareholders	No. of shares	%	No. of shares	%
1	KOH MIA SENG	369,109,046	42.71	–	–
2	DI LINGBIN	100,000,000	11.57	–	–
3	LIEW NYOK WAH	62,000,000	7.17	–	–

Shareholding Held in Hands of Public

Based on information available to the Company as at 13 December 2019, approximately 37.20% of the issued ordinary shares of the Company was held by the public and therefore, Rule 723 of the Listing Manual Section B: Rules of Catalist of the Singapore Exchange Securities Trading Limited, is complied with.

NOTICE OF
ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting of Sen Yue Holdings Limited (the "**Company**") will be held at 3 Jalan Pesawat, Singapore 619361 on Wednesday, 22 January 2020 at 10.30 a.m. (the "**AGM**") to transact the following businesses:-

AS ORDINARY BUSINESS

1. To receive and adopt the Directors' Statement and the Audited Financial Statements of the Company and the Group for the financial year ended 30 September 2019 together with the Independent Auditor's Report thereon. **Resolution 1**

2. To re-elect the following Directors of the Company retiring pursuant to the Company's Constitution:-

   (a) Mr Liew Nyok Wah (Regulation 89); **Resolution 2**
   (b) Mdm Yu Lihong (Regulation 89); and **Resolution 3**
   (c) Mr Lau Yan Wai (Regulation 88). **Resolution 4**
   [See Explanatory Note (i)]

3. To approve the payment of Directors' fees of S$94,000 for the financial year ended 30 September 2019. (FY2018: S$85,215) **Resolution 5**

4. To re-appoint Messrs Deloitte & Touche LLP as the Auditors of the Company and authorise the Directors of the Company to fix their remuneration. **Resolution 6**

5. To transact any other ordinary business which may properly be transacted at an AGM.

AS SPECIAL BUSINESS

To consider and, if thought fit, to pass the following Resolutions as Ordinary Resolutions, with or without any amendments:

6. **Authority to issue shares in the capital of the Company pursuant to Section 161 of the Companies Act, Chapter 50 of Singapore ("Companies Act") and Rule 806 of the Listing Manual Section B: Rules of Catalist ("Catalist Rules") of Singapore Exchange Securities Trading Limited ("SGX-ST")** **Resolution 7**

   That pursuant to Section 161 of the Companies Act and Rule 806 of Catalist Rules of the SGX-ST, authority be and is hereby given to the Directors of the Company:-

   (a) (i) allot and issue share in the capital of the Company ("**Shares**") (whether by way of rights, bonus or otherwise); and/or

   (ii) make or grant offers, agreements or options (collectively, "**Instruments**") that might or would require Shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) options, warrants, debentures or other Instruments convertible into Shares,

   at any time and upon such terms and conditions and for such purposes and to such person as the Directors may in their absolute discretion deem fit; and

   (b) (notwithstanding the authority conferred by this Resolution may have ceased to be in force); issue Shares in pursuance of the Instruments made or granted by the Directors while this Resolution was in force, provided that:

(1) the aggregate number of Shares to be issued pursuant to this Resolution (including Shares to be issued in pursuance of the Instruments, made or granted pursuant to this Resolution) shall not exceed 100 percent of the total number of issued Shares (excluding treasury shares and subsidiary holdings) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below), of which the aggregate number of Shares to be issued other than on a pro-rata basis to shareholders of the Company (including Shares to be issued in pursuance of the Instruments, made or granted pursuant to this Resolution) shall not exceed 50 percent of the total number of issued Shares (excluding treasury shares and subsidiary holdings) in the capital of the Company (as calculated in accordance with the sub-paragraph (2) below);

(2) (subject to such manner of calculation and adjustments as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of Shares that may be issued under sub-paragraph (1) above, the total number of issued Shares (excluding treasury shares and subsidiary holdings) in the capital of the Company at the time this Resolution is passed, after adjusting for:

    (a) new Shares arising from the conversion or exercise of convertible securities;

    (b) new Shares arising from exercising share options or vesting of share awards which are outstanding or subsisting at the time this Resolution is passed, provided that the share options or share awards (as the case may be) were granted in compliance with Part VIII of Chapter 8 of the Catalist Rules; and

    (c) any subsequent bonus issue, consolidation or subdivision of Shares;

(3) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Catalist Rules for the time being in force (unless such compliance has been waived by the SGX-ST), all applicable legal requirements under the Companies Act, and otherwise, the Company's Constitution for the time being; and

(4) unless revoked or varied by the Company in general meeting, such authority conferred shall continue to be in force until the conclusion of the next annual general meeting of the Company or the date by which the next annual general meeting of the Company is required by law to be held, whichever is earlier.

[See Explanatory Note (ii)]

By Order of the Board

Wee Woon Hong
Company Secretary

Singapore,
7 January 2020

Explanatory Notes:

(i) Mr Liew Nyok Wah is the Executive Director of the Company and will, upon re-election as a Director of the Company, remain as an Executive Director of the Company. Please refer to Table C of the Corporate Governance Report on page 53 to page 58 in the Annual Report for the detailed information required pursuant to Rule 720(5) of the Catalist Rules of SGX-ST.

Mdm Yu Lihong is the Independent Non-Executive Director of the Company and will, upon re-election as a Director of the Company, remain as Chairman of the Remuneration Committee and a member of Audit and Nominating Committees. The Board considers Mdm Yu Lihong to be independent for the purposes of Rule 704(7) of the Catalist Rules of SGX-ST. Please refer to Table C of the Corporate Governance Report on page 53 to page 58 in the Annual Report for the detailed information required pursuant to Rule 720(5) of the Catalist Rules of SGX-ST.

Mr Lau Yan Wai is the Independent Non-Executive Director of the Company and will, upon re-election as a Director of the Company, remain as Independent Non-Executive Director and a member of Audit and Nominating Committees. The Board considers Mr Lau Yan Wai to be independent for the purposes of Rule 704(7) of the Catalist Rules of SGX-ST. Please refer to Table C of the Corporate Governance Report on page 53 to page 58 in the Annual Report for the detailed information required pursuant to Rule 720(5) of the Catalist Rules of SGX-ST.

(ii) The Ordinary Resolution 7 above, if passed, will empower the Directors of the Company from the date of this AGM until the date of the next AGM of the Company, or the date by which the next AGM of the Company is required by law to be held or such authority is varied or revoked by the Company in a general meeting, whichever is the earlier, to allot and issue Shares, make or grant Instruments convertible into Shares and to issue Shares pursuant to such Instruments. The aggregate number of Shares (including Shares to be made in pursuance of Instruments made or granted pursuant to this Resolution) which the Directors may allot and issue under this Resolution shall not exceed 100% of the total number of issued Shares, excluding treasury shares and subsidiary holdings. For issues of Shares other than on a pro-rata basis to all shareholders, the aggregate number of Shares and convertible securities to be issued shall not exceed 50% of the total number of issued shares, excluding treasury shares and subsidiary holdings at the time this Resolution is passed.

Notes:-

(1) (a) A member who is not a relevant intermediary is entitled to appoint not more than two proxies to attend and vote at the AGM. Where such member appoints two proxies, the proportion of his shareholding to be represented by each proxy shall be specified in the instrument of proxy.

(b) A member who is a relevant intermediary is entitled to appoint more than two proxies to attend and vote at the AGM, but each proxy must be appointed to exercise the rights attached to a different Share or Shares held by such member. Where such member appoints more than one proxy, the number of Shares in relation to which each proxy has been appointed shall be specified in the instrument of proxy.

"relevant intermediary" has the meaning ascribed to it in Section 181 of the Companies Act.

(2) A proxy need not be a member of the Company.

(3) The instrument appointing a proxy, duly executed, must be deposited at the Company's Share Registrar, M & C Services Private Limited, at 112 Robinson Road, #05-01, Singapore 068902 not less than forty-eight (48) hours before the time appointed for holding the AGM.

(4) The instrument appointing a proxy must be signed by the appointor or his attorney duly authorised in writing. Where the instrument appointing a proxy is executed by a corporation, it must be executed either under its common seal or under the hand of any officer or attorney duly authorised.

(5) A Depositor's name must appear on the Depository Register maintained by The Central Depository (Pte) Limited as at seventy-two (72) hours before the time fixed for holding the AGM in order for the Depositor to be entitled to attend and vote at the AGM.

PERSONAL DATA PRIVACY

Where a member of the Company submits an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the AGM and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, proxy lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "**Purposes**"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

SEN YUE HOLDINGS LIMITED
(Company Registration No.: 200105909M)
(Incorporated in the Republic of Singapore)

IMPORTANT:
1. An Investor who holds shares under the Central Provident Fund Investment Scheme ("CPF Investor") and/or the Supplementary Retirement Scheme ("SRS Investors") (as may be applicable) may attend and cast his vote(s) at the AGM in person. CPF and SRS Investors who are unable to attend the AGM but would like to vote, may inform their CPF and/or SPS Approved Nominees to appoint the Chairman of the AGM to act as their proxy. In which case, the CPF and SRS Investors shall be precluded from attending the AGM.
2. This proxy form is not valid for use by CPF and SRS investors and shall be ineffective for all intents and purported to be used by them.

PROXY FORM
(Please see notes overleaf before completing this form)

*I/We, ______________________ (Name) ______________________(NRIC/Passport No.)

of ____ (Address)
being a member/members of Sen Yue Holdings Limited (the "Company"), hereby appoint:

Name	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			

*and/or (delete as appropriate)

Name	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			

as my/our* proxy/proxies* to vote for me/us on my/our* behalf at the Annual General Meeting (the "AGM") of the Company to be held at 3 Jalan Pesawat, Singapore 619361 on Wednesday, 22 January 2020 at 10.30 a.m. and at any adjournment thereof.

I/We* direct my/our* proxy/proxies* to vote for or against the resolutions to be proposed at the AGM as indicated hereunder. If no specific direction as to voting is given, the proxy/proxies* will vote or abstain from voting at his/their* discretion, as he/they* will on any other matter arising at the AGM and at any adjournment thereof.

All resolutions put to the vote at the AGM shall be decided by way of poll

No.	Resolutions	For	Against
	ORDINARY BUSINESS		
1.	Adoption of the Directors' Statement and the Audited Financial Statements of the Company and the Group for the financial year ended 30 September 2019 together with the Independent Auditor's Report thereon		
2.	Re-election of Mr Liew Nyok Wah as a Director		
3.	Re-election of Mdm Yu Lihong as a Director		
4.	Re-election of Mr Lau Yan Wai as a Director		
5.	Approval of payment of Directors' fees of S$94,000 for the financial year ended 30 September 2019		
6.	Re-appointment of Messrs Deloitte & Touche LLP as Auditors of the Company and authorise the Directors to fix their remuneration		
	SPECIAL BUSINESS		
7.	Authority to allot and issue shares pursuant to Section 161 of the Companies Act, Chapter 50 of Singapore		

(Please indicate your vote "For" or "Against" with a tick [√] within the box provided. Alternatively, please indicate the number of votes as appropriate)

Dated this________ day of____________________, 2020

Total number of Shares in		No. of Shares
(a)	CDP Register	
(b)	Register of Members	

____
Signature of Shareholder(s)
or Common Seal of Corporate Shareholder

**Delete where inapplicable*

Notes:

1. If the member has shares entered against his name in the Depository Register, he should insert that number of shares. If the member has shares registered in his name in the Register of Members, he should insert that number of shares. If the member has shares entered against his name in the Depository Register and registered in his name in the Register of Members, he should insert the aggregate number of shares. If no number is inserted, this instrument of proxy will be deemed to relate to all the shares held by the member.

2. (a) A member who is not a relevant intermediary is entitled to appoint not more than two proxies to attend and vote at the AGM. Where such member appoints two proxies, the proportion of his shareholding to be represented by each proxy shall be specified in this instrument of proxy. If the proportion of his shareholding is not specified, the first named proxy shall be deemed to represent 100% of his shareholding and the second named proxy shall be deemed to be an alternate to the first named.

   (b) A member who is a relevant intermediary is entitled to appoint more than two proxies to attend and vote at the AGM, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member appoints more than one proxy, the number of shares in relation to which each proxy has been appointed shall be specified in this instrument of proxy.

   "relevant intermediary" has the meaning ascribed to it in Section 181 of the Companies Act, Chapter 50.

3. A proxy need not be a member of the Company.

4. The instrument appointing a proxy or proxies must be deposited at the Company's Share Registrar, M & C Services Private Limited, at 112 Robinson Road, #05-01, Singapore 068902 not less than forty-eight (48) hours before the time appointed for the AGM.

5. This instrument appointing a proxy or proxies must be signed by the appointor or his attorney duly authorised in writing or, if the appointor is a corporation, it must be executed either under its common seal or signed by its attorney or officer duly authorised.

6. Where this instrument appointing a proxy or proxies is signed on behalf of the appointor by an attorney, the power of attorney or a notarially certified copy thereof (failing previous registration with the Company) must be lodged with this instrument of proxy, failing which this instrument of proxy may be treated as invalid.

7. A corporation which is a member may authorise by a resolution of its directors or other governing body such person as it thinks fit to act as its representative at the AGM in accordance with Section 179 of the Companies Act, Chapter 50.

8. The Company shall be entitled to reject this instrument appointing a proxy or proxies if it is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in this instrument appointing a proxy or proxies (including any related attachment). In addition, in the case of a member whose shares are entered in the Depository Register, the Company may reject any instrument appointing a proxy or proxies lodged if the member, being the appointor, is not shown to have shares entered against his name in the Depository Register as at seventy-two (72) hours before the time appointed for holding the AGM, as certified by The Central Depository (Pte) Limited to the Company.

PERSONAL DATA PRIVACY:

By submitting this instrument appointing a proxy(ies) and/or representative(s), the member is deemed to have accepted and agreed to the personal data privacy terms set out in the notice of AGM of the Company dated 7 January 2020.

SEN YUE HOLDINGS LIMITED
森跃控股有限公司

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