BOLDTEK
寶特 HOLDINGS

LEVERAGING OUR EXPERTISE, EXPLORING OPPORTUNITIES

ANNUAL REPORT **2021**

CONTENTS

This annual report has been prepared by the Company and its contents have been reviewed by the Company's sponsor, RHT Capital Pte. Ltd. (the "Sponsor") for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited (the "SGX-ST"). The Sponsor has not independently verified the contents of this annual report.

This annual report has not been examined or approved by the SGX-ST and 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 Mr Leong Weng Tuck, Registered Professional, RHT Capital Pte. Ltd., 6 Raffles Quay, #24-02, Singapore 048580, sponsor@rhtgoc.com.

CORPORATE PROFILE

Listed on the Singapore Exchange Securities Trading Limited ("SGX-ST") Catalist on 18 January 2013, Boldtek Holdings Limited (the "Company" and together with its subsidiaries, the "Group") has business interests in general building, precast manufacturing, properties development and investment in Singapore and Malaysia.

GENERAL BUILDING

Logistics Construction Pte. Ltd., Boldtek Projects Pte. Ltd. (F.K.A Apex Projects Pte. Ltd.) and MSC Engineering Pte. Ltd., are principally engaged in providing building construction services and interior decoration/fitting out services in Singapore. We have a track record of more than 25 years in the construction business in Singapore, having undertaken numerous public and private projects as a main contractor.

PRECAST MANUFACTURING

CCL Precast Pte. Ltd. and CCL Precast (M) Sdn. Bhd., operate a precast manufacturing plant in Malaysia. The products from the precast plant will serve the Group's public and private residential, industrial or commercial projects in Singapore and also external customers in Singapore and Malaysia.

PROPERTIES DEVELOPMENT AND INVESTMENT

Le Premier Development Pte. Ltd. and Le Premier Development Sdn. Bhd. ("Le Premier Malaysia"), are engaged in property development and investment. Le Premier Malaysia industrial properties development and investment comprise of 20 units of freehold 3 storey terraced service industries for sale and a parcel of freehold industrial land to generate rental income and/or for capital appreciation. These properties are located in Senai Industrial Park, Johor, Malaysia.

The Company has a 40% effective interest in NNB 8 Development Pte. Ltd. ("NNB 8") through its joint venture company, NNB Global Development Pte. Ltd.. NNB 8 is engaged in property development and had, on 8 April 2021, completed the acquisition of a property located at 8 Lorong 25A Geylang, Singapore 388222. This property is currently being redeveloped into a 34-unit freehold residential property.

NNB8 is held by the Company through NNB Global Development Pte Ltd, a 50% joint venture company with Neo Group Limited.

SOIL INVESTIGATION AND TREATMENT

New Soil Technologies Pte. Ltd. ("New Soil") is 60% owned by the Group and together with our partners, New Soil undertakes soil investigation and treatment activities.

VISION

To be an admired well-diversified business group delivering superior building, design and maintenance solutions for our customers and community

MISSION

Customers

We will leverage our construction core expertise by diversifying into supporting segments of sustained new growth

Investors

We will deliver sustained risk-adjusted investor returns through our portfolio of core and supportive business activities

Team

We believe in nurturing future leaders to drive business continuity and high performance

VALUES

- Honourable
- Committed to Deliver
- United We Stand
- Persevering Forward

MESSAGE TO SHAREHOLDERS

Dear Shareholders,

On behalf of the Board of Directors (the "Board"), we are pleased to present the annual report of Boldtek Holdings Limited for the financial year ended 30 June 2021 ("FY2021").

OUTLOOK

According to the press release by Ministry of Trade and Industry (MTI) Singapore on 14 October 2021, the construction sector expanded by 57.9 per cent on a year-on-year basis in the third quarter of 2021, following the 117.5 per cent growth in the preceding quarter. Growth was largely due to low base effects given the slow resumption of construction activities after the Circuit Breaker (CB) period last year.

The Singapore Government imposed the Stabilisation Phase with effect from 27 September 2021 and further announced an extension until 21 November 2021, as the country's healthcare system is at risk of being overwhelmed. However, the national vaccination programme has been successful and with the rolling out of Vaccine Booster Programme which will minimise the risk of transmission, Singapore is handling the transition to endemic living with COVID-19, as well as to protect businesses and jobs through the progressive re-opening of Singapore. Therefore, the Singapore economy is expected to see gradual recovery in the near future.

Barring unforeseen circumstances, the Group's construction activities are expected to recover further in FY2022.

GENERAL BUILDING

The Group's general building business is principally undertaken by the Company's wholly-owned subsidiary, Logistics Construction Pte Ltd ("Logistics Construction"), which has a track record of more than 25 years in Singapore. Logistics Construction is approved by Building and Construction Authority ("BCA")'s workhead for General Building Works (CW01) to the highest grade, A1 where Logistics Construction can bid and execute large-scale projects of unlimited value. Logistics Construction has an established track record in delivering quality, value-added integrated solutions to its customers and has been able to maintain a healthy order book.

Notwithstanding the uncertainties and negative impact from the COVID-19 on the built environment sector, the Group will continue to focus on its core business segment - general building by exercising prudence in tenders to build up book orders, optimising cost and operational efficiency to fortify the Group against challenges that lie ahead.

In August 2021, the Company's wholly-owned subsidiary, Logistics Construction Pte Ltd, was awarded a contract amounting to S$37.28 million by Civil Aviation Authority of Singapore for addition and alteration works to the existing Air Traffic Control Centre, which commenced on 16 August 2021 and expected to be completed by 1Q2023.

PRECAST MANUFACTURING

The Group's precast manufacturing business faced stiff competition, tremendous price pressure and low productivity in FY2021 as a result of the Movement Control Order ("MCO") in Malaysia. However, we will continue to build our capabilities in areas such as Prefabricated Prefinished Volumetric Construction (PPVC) and Prefabricated Bathroom Unit (PBU) to take advantage of the increased use of these technology in building construction.

PROPERTIES DEVELOPMENT AND INVESTMENT

The Group developed 20 units of freehold three storey terraced service industries ("Malaysia Terraced Service Industrial") for sale and an investment in a parcel of freehold industrial land to generate rental income and/or for capital appreciation. These properties are located in Senai Industrial Park, Johor, Malaysia.

Investment and market sentiments for industrial properties in Johor are negatively impacted by the recent uptick in COVID-19 cases and the implementation of MCO have had a significant impact on Johor Bahru's property market as well as impacted the Group's marketing activities to promote the sales of the remaining 18 units of Malaysia Terraced Service Industrial during FY2021.

According to Malaysia's Foreign Minister, Saifuddin Abdullah on 23 September 2021, the Malaysian government will continue to negotiate with the Singapore authorities on the gradual reopening of Johor-Singapore borders to kick-start the Johor Bahru economy, taking into account the prevailing situation in both countries.

MESSAGE TO SHAREHOLDERS

In August 2020, the Company entered into a joint venture (the "JV") agreement with Neo Group Limited ("NGL") to carry out the business of property development, investment and management, or such other businesses as the JV may agree from time to time. In December 2020, NNB 8 Development Pte Ltd ("NNB 8") was incorporated and had, on 8 April 2021, acquired on an en bloc basis for the collective purchase of Advance Apartment ("Property"), a residential property located at No. 8 Lorong 25A Geylang Road, Singapore 388222, for a sum of S$26.5 million. NNB 8 is currently redeveloping the Property into a 34-unit freehold residential property and is expected to launch by 31 December 2021.

The JV will enable the Group to increase its involvement in the property development and investment segment and expand beyond its general building core business.

RIGHTS ISSUE

We wish to thank our shareholders for their participation and continued loyalty and support in the recent Rights Issue undertaken by the Company. We believe that the Rights Issue will provide financial flexibility to the Group and allow the Group to seize business opportunities in a timely manner, as well as enabling greater participation by shareholders as we continue our growth journey.

NOTE OF APPRECIATION

On behalf of the Board of Directors, we would like to thank the management and staff of the Group for their contributions and dedication. We also like to take this opportunity to thank our shareholders and stakeholders for their unwavering support through the years. With the support from our stakeholders, the Group will endure and rise above current challenging times.

Mr Pao Kiew Tee
Non-Executive Chairman and Independent Director

Mr Phua Lam Soon
Chief Executive Officer

BOARD OF DIRECTORS

PAO KIEW TEE
Non-Executive Chairman and Independent Director

Pao Kiew Tee is our Non-Executive Chairman and Independent Director. He was appointed as our Director on 24 December 2012 and was last re-elected on 29 October 2018. He is also the Chairman of the Audit Committee and a member of both the Nominating Committee and Remuneration Committee of our Company.

Mr Pao was a senior government auditor. The last post he held before his retirement in July 2016, after serving the Civil Service for 37 years, was Senior Group Director. As a senior government auditor, he was the overall in charge of a group responsible for carrying out financial statements and operation audits of government ministries and statutory boards. Prior to joining the Singapore Government, he was with two accounting firms in New Zealand between October 1976 and September 1978. From March 1975 to September 1976, he worked as an analyst for the Commercial Bank of Australia in New Zealand.

He is an independent director of SGX-ST listed companies, Mary Chia Holdings Limited and Wong Fong Industries Limited. He is also a Trustee of the Serangoon Gardens Country Club. He holds a Bachelor of Commerce (Accounting) degree from the University of Otago, Dunedin, New Zealand in 1974. He is a Life Member of the Institute of Singapore Chartered Accountants ("ISCA") and a member of the Singapore Institute of Directors.

PHUA LAM SOON
Chief Executive Officer

Phua Lam Soon is our CEO and one of our co-founders. He has been a director of Logistics Construction Pte. Ltd. and Boldtek Projects Pte. Ltd. (F.K.A Apex Projects Pte. Ltd.) since their incorporation on 25 April 1992 and 7 October 2008 respectively. Mr. Phua was appointed as the sole first Director of our Company on 5 October 2012 and is also a member of the Nominating Committee. Mr Phua was last re-elected as a Director of the Company on 24 October 2019.

Mr. Phua is in charge of setting the strategic plans and steering the business development of our Group as well as its overall management of our Group and day to day operations. He has more than 30 years of experience in the building construction industry in Singapore. Under Mr. Phua's direction, our Group has undertaken a wide range of building constructions services that it offers, from renovation and interior fitting-out works to upgrading works and main building works for public sector projects.

In addition to his involvement with our Group, Mr. Phua is currently the chairman of the Sembawang West Citizens' Consultative Committee. He was conferred the Public Service Medal (Pingat Bakti Masyarakat) and Public Service Star (Bintang Bakti Masyarakat) by the President of the Republic of Singapore in August 2010 and August 2016 respectively.

ONG SIEW ENG
Executive Director

Ong Siew Eng is our Executive Director and one of our co-founders. She has been a director of Logistics Construction Pte. Ltd. and Boldtek Projects Pte. Ltd. (F.K.A Apex Projects Pte. Ltd.) since their incorporation on 25 April 1992 and 7 October 2008 respectively. Ms. Ong was appointed as a Director of our Company on 31 October 2012 and was last re-elected on 27 October 2017.

Ms. Ong oversees our Group's human resource management and administrative functions. From the incorporation of Logistics Construction Pte. Ltd. until August 2012, she was in charge of the finance, budgeting, human resource and administrative functions of our Group.

BOARD OF DIRECTORS

NG KOK SENG
Executive Director

Ng Kok Seng is our Executive Director. Mr Ng was appointed as a Director of our Company on 31 October 2012 and was last re-elected on 24 October 2019.

Mr. Ng is in charge of our Group's project management and worksite operations and is also involved in our Group's business development. He has more than 25 years of experience in the building construction industry. Mr. Ng joined our Group in May 1996 as a project coordinator in charge of the daily coordination of worksite progress. From August 1998 to July 1999, he was appointed as Project Manager where he was in charge of managing our Group's projects as well as the management and coordination of site personnel, subcontractors and suppliers. From August 1999 until Mr. Ng appointment as an Executive Director, he was our Group's General Manager and was in charge of overseeing our Group's tender processes as well as its site operations.

Mr. Ng graduated with a Diploma in Building from the Singapore Polytechnic in 1992.

FOO SHIANG PING
Non-Executive Director

Foo Shiang Ping was appointed as our Non-Executive Director on 24 December 2012 and was last re-elected on 27 October 2017. He is also a member of both the Audit Committee and the Remuneration Committee of our Company.

Mr. Foo is the Founder and Principal Consultant of SP Corporate Advisory, a boutique corporate restructuring and merger and acquisition advisory firm based in Singapore. With 20 years of corporate advisory experience, Mr. Foo's primary dealings are in IPO, mergers and acquisitions, corporate restructuring transactions and fund-raising activities. At present, Mr. Foo is a member of the Singapore Institute of Directors.

Having earned his Bachelor's in Business Economics (with Distinction) from Brock University in Canada, Mr. Foo also serves as the President of Foo Clan Association and Board Member of Geylang East Home for the Aged currently.

CHEN TIMOTHY TECK-LENG
Independent Director

Chen Timothy Teck-Leng was appointed as our Independent Director on 24 December 2012 and was last re-elected on 29 October 2018. He is also the Chairman of both the Nominating Committee and Remuneration Committee and a member of the Audit Committee of our Company.

Mr. Chen has more than three decades of management experience in banking, insurance, investment funds and corporate advisory work. He has held positions in Bank of America, Wells Fargo Bank, Bank of Nova Scotia and Sun Life Financial Inc.. He was formerly the General Manager, China for Sun Life Financial Inc. and the President & CEO of Sunlife Everbright Life Insurance Company in China.

Mr. Chen currently sits on the boards of several SGX-listed companies.

Mr. Chen earned his Bachelor of Science degree from University of Tennessee and his Master of Business Administration degree from Ohio State University. He received his Certified Corporate Director (ICD.D) designation from the Canadian Institute of Corporate Directors.

EXECUTIVE OFFICERS

TAN HONG EAN
Financial Controller

Tan Hong Ean joined our Group in November 2020 and is responsible for the overall financial accounting and reporting function of our Group's business. She is also involved in our Group's treasury functions and financial operations including corporate compliance matters with regulatory bodies.

Prior to joining our Group, Ms. Tan held managerial positions in several privately-held and public-listed companies, where she handled financial, treasury, taxation, corporate secretarial and SGX-ST reporting matters.

Ms. Tan holds an Association of Chartered Certified Accountants accounting qualification and is a Chartered Accountant of Singapore.

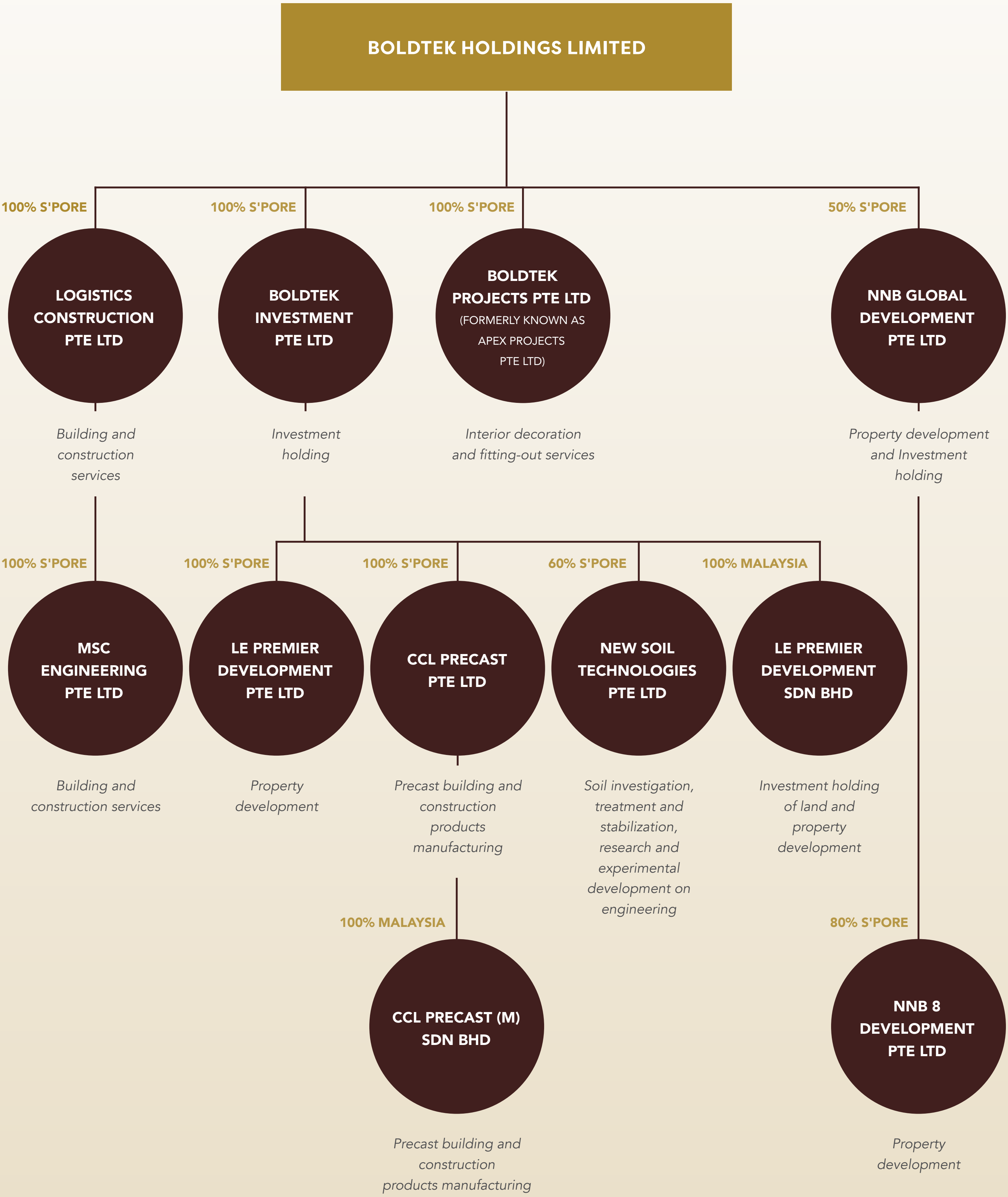
LOY YAN RU
Administrative and Human Resources Manager

Loy Yan Ru is our Administration and Human Resources Manager. She joined our Group in May 2009.

Ms. Loy has been the human resources manager of both our subsidiaries, namely Logistics Construction Pte. Ltd. and Boldtek Projects Pte. Ltd (formerly known as Apex Projects Pte. Ltd.) since May 2009. She oversees our Group's human resource management and administration matters, including recruitment, staff remuneration and staff insurance matters. In addition, Ms. Loy is also involved in the dealing with feedback from the public in relation to certain upgrading and home improvement projects undertaken by our Group.

Ms. Loy graduated with a Bachelor of Science (Real Estate) degree from National University of Singapore in 2008.

CORPORATE STRUCTURE



CORPORATE INFORMATION

BOARD OF DIRECTORS

PAO KIEW TEE
(Non-Executive Chairman and Independent Director)

PHUA LAM SOON
(Chief Executive Officer)

ONG SIEW ENG
(Executive Director)

NG KOK SENG
(Executive Director)

FOO SHIANG PING
(Non-Executive Director)

CHEN TIMOTHY TECK-LENG
(Independent Director)

AUDIT COMMITTEE

PAO KIEW TEE
(Chairman)

CHEN TIMOTHY TECK-LENG
(Member)

FOO SHIANG PING
(Member)

NOMINATING COMMITTEE

CHEN TIMOTHY TECK-LENG
(Chairman)

PAO KIEW TEE
(Member)

PHUA LAM SOON
(Member)

REMUNERATION COMMITTEE

CHEN TIMOTHY TECK-LENG
(Chairman)

PAO KIEW TEE
(Member)

FOO SHIANG PING
(Member)

JOINT COMPANY SECRETARIES

Ong Wei Jin (LL.B. (Hons))
Kennedy Chen (LL.B. (Hons))

REGISTERED OFFICE

72 Senoko Drive
Singapore 758240
Tel: +65 6891 0831
Fax: +65 6891 0835

SHARE REGISTRAR

Tricor Barbinder Share Registration Services
(A division of Tricor Singapore Pte. Ltd.)
80 Robinson Road
#11-02
Singapore 068898

SPONSOR

RHT Capital Pte. Ltd.
6 Raffles Quay
#24-02
Singapore 048580

INDEPENDENT AUDITOR

Foo Kon Tan LLP
Public Accountants
and Chartered Accountants
24 Raffles Place
#07-03 Clifford Centre
Singapore 048621

Partner-in-charge
Chan Ser
(Appointed since the financial year ended 30 June 2019)

PRINCIPAL BANKERS

Oversea-Chinese Banking Corporation Limited
65 Chulia Street OCBC Centre
Singapore 049513

United Overseas Bank Limited
80 Raffles Place
UOB Plaza 1
Singapore 048624

Standard Chartered Bank
Standard Chartered Bank
8 Marina Boulevard
Marina Bay Financial Centre Tower 1
Level 27
Singapore 018981

DBS Bank Ltd
12 Marina Boulevard, Level 43
Marina Bay Financial Centre
Singapore 018982

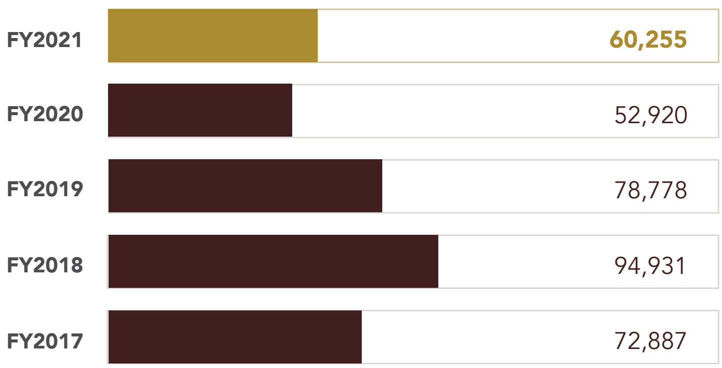
INTERNAL AUDITOR

KPMG Services Pte Ltd
16 Raffles Quay #22-00
Hong Leong Building
Singapore 048581

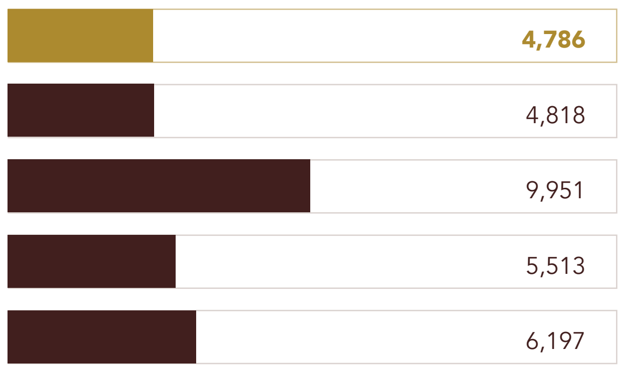
FINANCIAL HIGHLIGHTS

BOLDTEK HOLDINGS LIMITED & ITS SUBSIDIARY CORPORATIONS

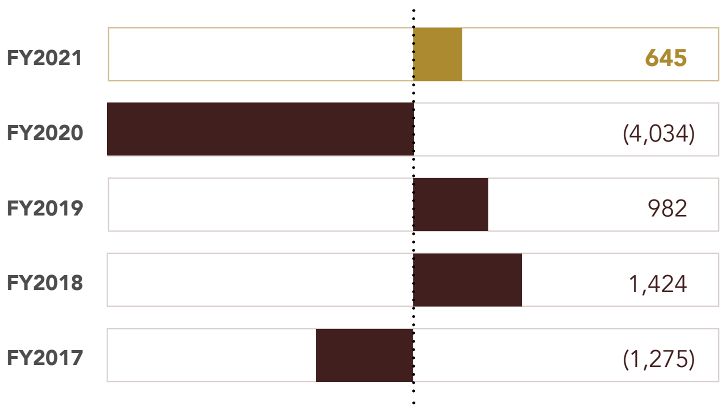
REVENUE (S$'000)



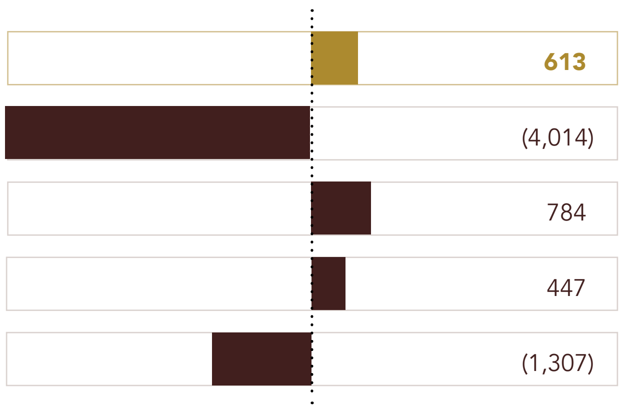
GROSS PROFIT (S$'000)



(LOSS)/PROFIT BEFORE TAXATION (S$'000)



(LOSS)/PROFIT AFTER TAXATION (S$'000)



S$'000	FY2017	FY2018	FY2019	FY2020	FY2021
Revenue	72,887	94,931	78,778	52,920	60,255
Gross profit	6,197	5,513	9,951	4,818	4,786
(Loss) / Profit before taxation	(1,275)	1,424	982	(4,034)	645
(Loss) / Profit after taxation	(1,307)	447	784	(4,014)	613
(Loss) / Profit attributable to owner of the parent	(1,060)	592	817	(3,948)	629
(Losses) / Earnings per share (Singapore cents) [1]	(0.62)	0.33	0.44	(2.13)	0.34
Total assets	81,360	81,502	86,335	86,016	104,135
Equity attributable to owner of the parent	25,270	27,551	28,415	24,609	25,353
Net asset value per share (Singapore cents) [2]	14.49	14.86	15.31	13.26	13.66

1 The (losses) / earnings per share was computed based on the (loss) / profit attributable to owner of the parent divided by the weighted average number of shares in issued during the financial year.

2 The net asset value per ordinary share for FY2017 and FY2018 to FY2021 is computed based on the share capital of the Company of 170,000,000 and 185,625,000 shares respectively.

OPERATING AND FINANCIAL REVIEW

OPERATING REVIEW

General building

During FY2021, the Group secured 7 projects with contract sums amounting to approximately S$56.3 million. These projects mainly comprised new building works, term contracts, as well as addition and alteration works.

The Group's existing order book from general building and precast manufacturing stood at approximately S$145.1 million as at 27 August 2021.

Precast manufacturing

As part of the improvement for construction productivity and quality control, the Building and Construction Authority ("BCA") encourages the built environment sector to embrace the concept of Design for Manufacturing and Assembly (DfMA) where construction is designed such that most of the construction work is done off-site in a controlled factory environment.

With the Group included in BCA's list of suppliers manufacturers that meet the Prefabricated Prefinished Volumetric Construction ("PPVC") requirements, the Group will be able to ride on the strong demand for consultants and builders who are familiar with PPVC technology due to the increasing demand of projects using PPVC.

Properties development and investment

Development of the 20 units of freehold three-storey terraced service industrial in the Senai Industrial Park in Malaysia ("Malaysia Terraced Service Industrial") for sales were completed and 18 units remained unsold as at the end of FY2021.

The parcel of freehold industrial land ("Malaysia Land") is held by the Group to generate rental income and/or for capital appreciation.

Malaysia Terraced Service Industrial and Malaysia Land are located at Senai Industrial Park, Johor, Malaysia.

In August 2020, the Company entered into a joint venture ("JV") with Neo Group Limited to carry out the business of property development, property investment and property management. The Group expects to further increase its involvement in the property development and investment segment going forward.

The JV company, NNB Global Development Pte Ltd, had entered into a JV with two other partners for the acquisition of a property located at 8 Lorong 25A Geylang, Singapore 388222 for the redevelopment of the property to comprise a block of 8-storey 34 freehold residential units with carparks. The acquisition was completed in April 2021.

OPERATING AND FINANCIAL REVIEW

FINANCIAL REVIEW

STATEMENT OF PROFIT OR LOSS

Revenue and Cost of works

The Group's revenue and cost of works for FY2021 increased by approximately S$7.34 million or 13.86% and S$7.37 million or 15.31% respectively, compared to FY2020.

The increase in the Group's revenue was primarily attributable to the gradual resumption of construction works for general building segment in FY2021, as compared to the stricter Circuit Breaker measures in FY2020. Precast manufacturing and property development and investment segments were still impacted by the economic uncertainty brought about by the COVID-19 pandemic.

General building

Revenue from construction works relating to alteration and addition works, maintenance works and home improvement program works increased to approximately S$60.04 million (FY2020: S$52.67 million). Correspondingly, cost of works for general building also increased to approximately S$55.22 million (FY2020: S$47.89 million).

Precast manufacturing

Revenue decreased by S$32,000 to S$218,000 in FY2021 (FY2020: S$250,000) due to business supply chain was interrupted by the COVID-19 pandemic.

Properties development and investment

Nil revenue because there was no sale of Malaysia Terraced Service Industrial (FY2020: $Nil). Correspondingly, nil cost of works for properties development and investment segment was recorded in FY2021 (FY2020: $Nil).

As a result of the above, gross profit decreased by approximately S$32,000 in FY2021.

Other income

The Group's other income for FY2021 increased by approximately S$2.35 million or 150% compared to FY2020, mainly due to the government grants from Jobs Support Scheme and BCA's COVID-safe project-based support.

Other expenses

The Group's other expenses for FY2021 decreased by approximately S$0.56 million or 62.23%, compared to FY2020.

This is mainly due to the lower fair value ("FV") loss on investment properties of approximately S$324,000 (FY2020: recognition of S$651,000) in relation to the Malaysia Land and Nil impairment of property, plant and equipment ("PPE") (FY2020: S$90,000) and currency translation loss of approximately S$133,000 partially offset by FV gain on investment properties of S$120,000 (FY2020: $Nil) in relation to Singapore's investment properties. Currency translation loss arose from the Malaysia subsidiaries' monetary liabilities denominated in Singapore Dollar due to the weakening of Malaysia Ringgit (RM) during FY2021.

Administrative expenses

The Group's administrative expenses for FY2021 decreased by approximately S$1.69 million or 20.44%, compared to FY2020.

This is mainly due to the reversal of impairment loss on financial assets and contract assets amounting to S$0.45 million (FY2020: Recognition of S$0.97 million) according to the expected credit losses measured by the management and lower staff costs incurred by approximately S$1.12 million in FY2021.

Taxation

The Group recorded an income tax expense of approximately S$0.03 million (FY2020: income tax credit of approximately S$0.02 million). In FY2021, the Group recognised current tax expense of approximately S$0.07 million, partially offset by deferred tax credit of approximately S$0.04 million.

Profit for the financial year

As a result, the Group reported profit after tax of approximately S$0.61 million (FY2020: Loss after tax of S$4.0 million).

OPERATING AND FINANCIAL REVIEW

STATEMENT OF FINANCIAL POSITION

Current assets

The Group's current assets increased by approximately S$18.10 million which is mainly due to the increase in contract assets, trade and other receivables of approximately S$15.66 million and S$5.49 million respectively, partially offset by the decrease in inventories, grant receivables, completed properties for sale, other current assets, cash and bank balances of approximately S$0.09 million, S$0.26 million, S$0.04 million, S$0.04 million and S$2.62 million respectively.

Movement in inventories, contract assets, trade and other receivables were mainly due to on-going projects.

Non-current assets

The Group's non-current assets increased by approximately S$0.02 million which is mainly due to investment in a joint venture company of approximately S$0.50 million offset by the decrease in PPE, investment properties and deferred tax asset of approximately S$0.14 million, S$0.30 million and S$0.04 million respectively.

Investment properties decreased mainly due to the FV loss for the Malaysia Land.

A deferred tax credit of approximately S$0.04 million (FY2020: S$0.31 million) was recognised due to changes in temporary differences.

PPE decreased mainly due to routine depreciation and offset by acquisition of PPE during FY2021.

Current liabilities

The Group's current liabilities increased by approximately S$16.37 million mainly due to the increase in trade and other payables and lease liabilities of approximately S$17.33 million and S$0.08 million respectively, partially being offset by the decrease in borrowings, contract liabilities, deferred grant and current tax payable of approximately S$0.64 million, S$0.16 million, S$0.11 million and S$0.13 million respectively.

Movement in contract liabilities, trade and other payables were mainly due to on-going projects.

Decrease in borrowings was mainly due to repayment of loan.

Non-current liabilities

The Group's non-current liabilities increased by approximately S$1.02 million mainly due to increase in borrowings of approximately S$1.15 million, partially offset by decrease in lease liabilities and deferred tax liabilities of approximately S$0.05 million and S$0.08 million respectively.

Increase in borrowings was mainly due to additional borrowings obtained for working capital purposes.

Movement in deferred tax liabilities is due to the changes in FV arising from the Malaysia Land.

STATEMENT OF CASH FLOWS

Operating activities

Net cash used in operating activities was approximately S$7.05 million mainly due to changes in working capital.

Investment activities

Net cash used in investing activities was approximately S$3.64 million mainly used to purchase PPE, investment in and advances made to a joint venture company during FY2021.

Financing activities

Net cash generated from financing activities was approximately S$7.76 million mainly due to advances from directors, partially offset by repayment of loans, lease liabilities and interest expenses.

As a result, the Group recorded a net decrease in cash and bank balances of S$2.93 million.

FINANCIAL CONTENTS

CORPORATE GOVERNANCE REPORT

The Board of Directors (the "**Board**") of Boldtek Holdings Limited (the "**Company**", and together with its subsidiaries, the "**Group**") is committed to maintaining good corporate governance to enhance and safeguard the interest of its shareholders.

This report below describes the corporate governance framework and practices of the Company for the financial year ended 30 June 2021 ("**FY2021**") with reference to the Code of Corporate Governance 2018 (the "**Code**").

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/or the accompanying Practice Guidance to the Code (the "**Guide**").

PRINCIPLE 1: THE BOARD'S CONDUCT OF AFFAIRS

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

Guidelines	**Corporate Governance Practices**
1.1	The Board is primarily responsible for directing the affairs of the Company in order to achieve the goals set for the Group. The responsibility includes setting the strategic direction and long-term goals, internal controls and risk management, corporate governance and financial performance of the Group. The Board works closely with Management to ensure that their duties and responsibilities stipulated under the Companies Act and applicable rules and regulations are complied with and their obligations towards shareholders and other stakeholders are met. The Board holds Management accountable for performance. Directors who are interested in any matter being considered would recuse themselves from discussion and decision-making involving the issue of conflict.
1.2	With assistance from the Company Secretaries, the Board and the Management are continually apprised of their compliance obligations and responsibilities arising from changes in regulatory requirements and the SGX-Listing Manual Section B: Rules of Catalist ("**Catalist Rules**"). The Company also has in place a budget for the Directors' training programmes on an annual basis and the Directors are encouraged to participate in industry conferences, seminars, courses or training programmes in connection with their duties and responsibilities as the Directors of the Board and Board Committees, in order to keep abreast of the latest rules, regulations and accounting standards in Singapore. The Directors have been keeping themselves abreast with the latest rules, regulations and accounting standards applicable to the Group during the course of their principal commitments, in addition to the regular updates provided by the Company Secretaries and external auditors. It is noted that there is no new director appointed to the Board in FY2021.

1.3 The Board comprises the following members:

Composition of the Board

Name of Director	Designation
Mr Pao Kiew Tee	Non-Executive Chairman and Independent Director
Mr Phua Lam Soon	Chief Executive Officer ("**CEO**")
Ms Ong Siew Eng	Executive Director
Mr Ng Kok Seng	Executive Director
Mr Foo Shiang Ping	Non-Executive Director
Mr Chen Timothy Teck-Leng	Non-Executive and Independent Director

The matters specifically reserved for the Board's decision include but are not limited to:

(1) Approving the Group's goals, strategies and objectives;
(2) Monitoring the performance of Management;
(3) Overseeing the processes for evaluating the adequacy and effectiveness of internal controls, risk management systems, financial reporting and compliance of the Group;
(4) Approving the appointment of Directors of the Company and Key Management Personnel of the Group;
(5) Approving the announcement of unaudited financial results and audited financial statements;
(6) Endorsing remuneration framework and key human resource matters of the Group;
(7) Convening of general meetings;
(8) Approving annual budgets, major funding proposals, significant transactions and interested person transactions as defined in the Catalist Rules; and
(9) Assuming responsibility for corporate governance and compliance with the Companies Act, Chapter 50 and the rules and regulations applicable to a public listed company.

1.4 To facilitate effective management, certain functions have been delegated to various Board Committees, namely Audit Committee ("**AC**"), Nominating Committee ("**NC**") and Remuneration Committee ("**RC**"), each of which has its own clear written terms of reference ("**TOR**"). The TORs are reviewed on a regular basis to ensure their continued relevance with the Code.

The Management together with the Board Committees support the Board in discharging its duties and responsibilities. The roles and powers of the Board Committees are set out in this report.

1.5 The Board meets at least half-yearly and more frequently as and when required, to review and evaluate the Group's operations and performance and to address key policy matters of the Group, where necessary.

The Constitution of the Company allows Board and Board Committees meetings to be conducted by way of teleconferencing to facilitate Board participation.

In the absence of Board and Board Committees meetings, the Board and the Board Committees discuss, deliberate and approve the matters specially reserved to them by way of resolutions in writing in accordance with the Company's Constitution and Board Committees' term of references where applicable.

The number of Board and Board Committee meetings held during FY2021 and the attendance of each Director, where relevant, are set out as follows:

Directors	Board Meetings	AC Meetings	RC Meetings	NC Meetings
No. of Meetings held in FY2021	**2**	**3**	**1**	**1**
Mr Pao Kiew Tee	2	3	1	1
Mr Phua Lam Soon	2	3[(1)]	–	1
Ms Ong Siew Eng	2	3[(1)]	–	–
Mr Ng Kok Seng	2	3[(1)]	–	–
Mr Foo Shiang Ping	2	3	1	–
Mr Chen Timothy Teck-Leng	2	3	1	1

Note:

(1) Attendance by invitation.

Directors with multiple board representations are to disclose such board representations and ensure that sufficient time and attention are given to the affairs of the Company.

1.6 Board papers for Board and Board Committee meetings are provided to the Directors prior to meetings in order for the Directors to be adequately prepared for meetings, including all relevant documents, materials, background or explanatory information relating to matters to be brought before the Board and Board Committees.

1.7 The Board, the Board Committees and the Directors have separate and independent access to Management, the Company Secretary and external advisors (where necessary) at the Company's expense and are entitled to request from Management such information or clarification as required.

Professional advisors may be invited to advise the Board, or any of its members, if the Board or any individual member thereof needs independent professional advice.

The Company Secretary attends all Board and Board Committees meetings and is responsible for ensuring that Board procedures are followed and the minutes of all Board and Board Committees meetings are recorded and circulated to the Board and Board Committees.

The appointment and the removal of each Company Secretary is subject to the approval of the Board pursuant to the Constitution of the Company.

PRINCIPLE 2: BOARD COMPOSITION AND GUIDANCE

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

Guidelines	Corporate Governance Practices

2.1 The Board comprises two (2) Non-Executive and Independent Directors, one (1) Non-Executive Director and three (3) Executive Directors in FY2021.

The directors in the office at the date of the Annual Report are:

Name of Director	Role Undertaken	Board Committee Membership
Pao Kiew Tee	Non-Executive Chairman and Independent Director	AC NC RC
Phua Lam Soon	Chief Executive Officer	NC
Ong Siew Eng	Executive Director	NIL
Ng Kok Seng	Executive Director	NIL
Foo Shiang Ping	Non-Executive Director	AC RC
Chen Timothy Teck-Leng	Non-Executive and Independent Director	AC NC RC

As of the date of the Annual Report, the Company has not appointed any Alternate Director.

As set out under the Code, an independent director is one who is independent in conduct, character and judgement, and has no relationship with the company, its related corporations, its substantial shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the director's independent business judgement in the best interests of the company. The Nominating Committee assesses and reviews annually the independence of a Director bearing in mind the salient factors as set out under the Code as well as all other relevant circumstances and facts.

Each Independent Director is required to complete a Confirmation of Independence Form annually to confirm his independence based on the Code. Based on the confirmation of independence submitted by the Independent Directors for FY2021, the Nominating Committee is of the view that each Independent Director is independent on the following basis:

(a) The Independent Directors: (i) are not employed by the Company or any of its related corporations for the current or any of the past three (3) financial years; and (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 (3) financial years, and whose remuneration is determined by the Remuneration Committee.

(b) None of the Independent Directors and their immediate family member had in the current or immediate past financial year (i) provided or received payments from the Group aggregated over any financial year in excess of S$50,000/- for services other than compensation for board service; or (ii) was a substantial shareholder, partner, executive officer or a director of any organisation which provided or received payments from the Group aggregated over any financial year in excess of S$200,000/- for services rendered.

(c) None of the Independent Directors are directly associated with any substantial shareholder of the Company in the current or immediate past financial year.

2.2 The Board comprises six directors, two of whom are Independent Directors. The Chairman is a Non-Executive and Independent Director. As the Independent Directors make up at least one-third of the Board, the Company is in compliance with Guideline 2.1 of the Code of Corporate Governance 2012 which remains effective until 31 December 2021, and will be in compliance with Rule 406(3)(c) of the Catalist Rules which will come into effect on 1 January 2022.

Although the Company has deviated from Provision 2.3 of the Code, with Non-Executive Directors making up half of the Board instead of majority, the Board believes that the two Independent Directors have many years of experience and are able to serve the present needs of the Group, having served on other listed companies. The Board has taken into account the scope and nature of the operations of the Company as well as the corporate transactions undertaken and considers its current size to be adequate for effective decision making. In addition, the Chairman of the Board is also an Independent Director. The composition of the Board will be reviewed regularly and changes will be made as and when appropriate. Key information regarding the Directors are set out below:

	Directorships in other listed companies	
Name of Director	**Current**	**Past 3 Years[(1)]**
Pao Kiew Tee	Wong Fong Industries Limited Mary Chia Holdings Limited	New Silkroutes Group Limited
Phua Lam Soon	Nil	Nil
Ong Siew Eng	Nil	Nil
Ng Kok Seng	Nil	Nil
Foo Shiang Ping	Nil	800 Super Holdings Limited
Chen Timothy Teck-Leng	Yangzijiang Shipbuilding (Holdings) Ltd Tye Soon Limited	Sysma Holdings Limited TMC Education Corporation Ltd (now known as Global Dragon Limited) Tianjin Zhong Xin Pharmaceutical Group Corporation Limited

Note:

(1) Refers to directorships in other listed companies held in the past 3 years but no longer holding.

Although the Non-Executive Directors do not make up a majority of the Board, the Board has always discussed important issues robustly and is able to reach a consensus without relying on any majority votes to decide nor having an individual or small group of individuals dominate the Board's decision-making process. The mix of Directors as a group provide an appropriate balance and diversity. As mentioned above, the Board has also considered the current size, scope, nature of operations of the Group, the requirements of the business and the need to avoid undue disruptions from changes to the composition of the Board and Board Committees, especially where cost considerations and agility of the Board in decision-making are critical to the Company. In view of the foregoing, the Board is of the view that the Board's composition has an appropriate level of independence and diversity of thought and background to enable it to make decisions in the best interests of the Company, consistent with the intent of Principle 2 of the Code.

2.4 The composition of the Board is reviewed annually by the Board and the NC to ensure that there is an appropriate mix of expertise and experience to enable the Management to benefit from a diverse perspective regarding issues that are brought before the Board.

Given the diverse qualifications, experience, background, gender and profile of the Directors, the NC is of the view that the current Board members as a group provides an appropriate balance and diversity of relevant skills, experience and expertise required for effective management of the Group.

The Board is of the view that the current size, composition, range of experience and the varied expertise of the current Board members provides core competencies in accounting or finance, business management, legal or corporate governance, relevant industry knowledge or experience, strategic planning, and customer based experience or knowledge which are necessary to meet the requirements of the Group.

Non-Executive and Independent Directors contribute to the Board by monitoring and reviewing the Group's performance against goals and objectives in a timely manner. Their views and opinions provide alternative perspectives to the Group's businesses and bring independent judgement on business activities and transactions involving conflicts of interest and other complexities.

2.5 The Non-Executive and Independent Directors have met in the absence of Management. The chairman of such meetings provides feedback to the Board and/or Chairman as appropriate.

PRINCIPLE 3: CHAIRMAN AND CHIEF EXECUTIVE OFFICER

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

Guidelines **Corporate Governance Practices**

3.1 The roles of the Chairman and CEO are separate to ensure an appropriate balance of power, increased accountability and greater capacity of the Board for independent decision making. The division of responsibilities between them is clearly established, and they are not related to each other.

Mr Pao Kiew Tee is the Non-Executive Chairman (the "**Chairman**") and an Independent Director of the Company, and is responsible for the effectiveness and integrity of the Board and its governance process.

Mr Phua Lam Soon is the CEO of the Company, and is responsible for the business and operational decisions of the Group.

3.2 The CEO works with the Board to determine the strategy for the Group and is responsible for the Group's business performance. The CEO also works with the Management of the Group to ensure that the Management operates in accordance with the strategic and operational objectives of the Group.

The Chairman leads the Board to ensure its effectiveness on all aspects of its role. He approves the agenda for the Board and the agenda for Board Committees are approved by the Chairman together with the respective chairpersons of the Board Committees. The Chairman also exercises control over the quality, quantity and timeliness of information flow between the Board, the Management and shareholders of the Company. He encourages interactions between the Board and Management, as well as between the Executive and Non-Executive Directors. The Chairman also takes a leading role in ensuring the Company's compliance with corporate governance guidelines.

3.3 Provision 3.3 provides that the Board should have a lead independent director to provide leadership in situations where the Chairman is conflicted, and especially when the Chairman is not independent.

As our Chairman is an independent director, the Board has determined that it is not necessary to appoint a Lead Independent Director.

PRINCIPLE 4: BOARD MEMBERSHIP

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

Guidelines **Corporate Governance Practices**

4.1 The NC is responsible for reviewing the composition and effectiveness of the Board and determining whether the Directors possess the requisite qualifications and expertise and whether the independence of the Directors is compromised pursuant to the guidelines set out in the Code.

The key duties of the NC include but not limited to the following:

(1) To review annually the independence of each Director with reference to the guidelines set out in the Code;
(2) To review all nominations for new appointments and re-election of Directors, put forth their recommendations for approval by the Board and ensure the new directors are aware of their duties and obligation;
(3) To determine whether a Director is able to and has been adequately carrying out his duties as a Director of the Company, particularly, when a Director has multiple Board representations;
(4) To review Board succession plans, in particular, the Chairman and CEO;
(5) To assess the effectiveness of the Board as a whole; and
(6) To review training and professional development programmes for the Board.

Each member of the NC abstains from voting on any resolution and making any recommendation or participating in any deliberations of the NC in respect of matters concerning him, if any.

4.2 The members of the NC are:

Mr Chen Timothy Teck-Leng (Chairman)
Mr Pao Kiew Tee
Mr Phua Lam Soon

The majority of the NC members, including the Chairman of the NC, are Non-Executive and Independent Directors.

4.3 The Company has adopted a formal search and nomination process for new directors. Where a vacancy arises under any circumstances, or where it is considered that the Board would benefit from the services of a new director with particular skills set, the NC, in consultation with the Management and the Board as appropriate, determines the selection criteria such as qualification, skill set, competence and expertise required or expected of a new Board member taking into account the size, structure, composition and progressive renewal of the Board.

The NC will assess the suitability of the potential candidate before he or she is appointed to the Board. The NC could tap on the directors' recommendations of potential candidates or external resources. The potential candidates will go through a shortlisting process and thereafter, interviews are set up with the shortlisted candidates for the NC to assess them before a decision is made. Recommendations of the NC are then put to the Board for its consideration. The Board will review the recommendation and approve the appointment as appropriate. In accordance with the Constitution of the Company, one-third of Directors for the time being, or, if their number is not a multiple of three, the number nearest to but not less than one-third, shall retire from office by rotation at the annual general meeting of the Company ("**AGM**"), and a Director appointed during the year shall hold office until the next AGM. The retiring Directors may offer themselves for re-election.

Set out below are the names, designations, dates of appointment and last re-election of each Director of the Company:

Name	**Designation**	**Date of First Appointment**	**Date of Last Re-Election**
Mr Pao Kiew Tee	Non-Executive Chairman and Independent Director	24 December 2012	20 October 2018
Mr Phua Lam Soon	Chief Executive Officer	5 October 2012	24 October 2019
Ms Ong Siew Eng	Executive Director	31 October 2012	26 November 2020
Mr Ng Kok Seng	Executive Director	31 October 2012	24 October 2019
Mr Foo Shiang Ping	Non-Executive Director	24 December 2012	26 November 2020
Mr Chen Timothy Teck-Leng	Non-Executive and Independent Director	24 December 2012	20 October 2018

4.4 The Board and the NC review on an annual basis whether or not a Director is independent, taking into account the definition of independence under the Code, *inter alia*, one who is independent in conduct, character and judgement, and has no relationship with the Company, its related corporations, its substantial shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the director's independent business judgement with a view to the best interests of the Company.

After its assessment, the NC and the Board are of the view that none of the Non-Executive and Independent Directors have any relationship with the Company, its related corporations, its substantial shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the director's independent business judgement with a view to the best interests of the Company.

The Board and the NC also reviewed each individual Director's judgement and conduct in carrying out his duties during FY2021. Together with the NC, the Board affirmed that Mr Pao Kiew Tee and Mr Chen Timothy Teck-Leng continue to be independent pursuant to the definition of Independence under the Code.

Effective 1 January 2022, Rule 406(3)(d)(iii) of the Catalist Rules provides that a director will not be independent if he has served for an aggregate of more than nine (9) years (whether before or after listing). His continued appointment as an independent director has to be sought and approved in separate resolutions by (a) all shareholders and (b) shareholders, excluding the directors and chief executive officer of the issuer, and associates of such directors and chief executive officer (the "**Two-Tier Voting**"). For the purpose of the resolution referred to in (b), the directors and chief executive officer of the issuer, and their respective associates, must not accept appointment as proxies unless specific instructions as to voting are given. Such resolutions approved by a Two-Tier Voting may remain in force for three years from the conclusion of the AGM following the passing of the resolutions or the retirement or resignation of the director, whichever the earlier.

Pursuant to Transitional Practice Note 2 Transitional Arrangements Regarding Code of Corporate Governance 2018 of the Catalist Rules which is effective from 1 January 2022 ("**Transitional Practice Note 2**"), to ensure that the independence designation of a Director who has served for more than 9 years as at and from 1 January 2022 is not affected, the Company is required to seek and obtain approvals at general meeting held in calendar year 2021 for the continued appointment of the Independent Directors who have served on the Board beyond nine years from the date of his/her first appointment. In accordance with Rule 406(3)(d)(iii) of the Catalist Rules, such approvals will remain valid until the conclusion of the third AGM from such approvals.

For the avoidance of doubt, Guideline 2.4 of the Code of Corporate Governance 2012 continues to apply until Rule 406(3)(d)(iii) of the Catalist Rules comes into effect on 1 January 2022.

The NC, together with the Board, noted that Mr Pao Kiew Tee and Mr Chen Timothy Teck-Leng will be reaching their nine (9)-year term from the date of their first appointment and will be subject to rigorous review on their independence.

The NC has recommended to the Board for the re-election of Mr Pao Kiew Tee and Mr Chen Timothy Teck-Leng pursuant to (i) Regulation 107 of the Constitution and (ii) Rule 406(3)(d)(iii) of the Catalist Rules which will come into effect on 1 January 2022. Approval of the shareholders will be sought through a Two-Tier Voting process at the forthcoming AGM for the continuation of office of Mr Pao Kiew Tee and Mr Chen Timothy Teck-Leng, who will each serve as Independent and Non-Executive Directors of the Company for an aggregate term of more than nine (9) years.

The NC had reviewed the independence of long tenured independent directors and having considered the provisions set out in the Code, the Practice Guidance and certain other salient factors, is of the view that although Mr Pao Kiew Tee and Mr Chen Timothy Teck-Leng will be serving beyond nine years as Independent Director since 24 December 2012, they continue to express their individual viewpoints, debate issues objectively and constructively challenge Management's proposals and decisions on business activities and transactions that may involve conflicts of interests and other complexities. Their vast experience enables them to provide the Board and the various Board Committees on which they serve, with pertinent experience and competence to facilitate sound decision-making and that their length of service does not in any way interfere with their exercise of independent judgment nor hinder their ability to act in the best interest of the Company. Both directors have not affected their independence and ability to bring independent and considered judgment to bear in their discharge of duties as a member of the Board and Board Committees. The Board concurred with the NC's view and was satisfied that they continued to be considered independent even though each had served the Board for more than nine (9) years. Both had also abstained from voting on resolutions, making recommendations and/or participating in matters in which they are interested. They were also not involved in the deliberation in respect of their own independence. The Board is of the view that the NC was effective at discharging its duties.

The NC takes the view that a director's independence cannot be determined solely and arbitrarily on the basis on the length of time. A director's contribution in terms of experience, expertise, professionalism, integrity, objectivity and independent judgment in engaging and challenging Management in the best interest of the Group as he performs his duties in good faith, are more critical measures in ascertaining his independence than the number of years served on the Board. Hence, the Board does not impose a limit on the length of service of the independent directors.

Notwithstanding the foregoing, the Board and NC will continue to exercise due and careful review, taking into consideration other factors, in assessing the independence of a director. These factors include, *inter alia*, whether the directors have any interest, business, relationship and/or any other material contractual relationships with the Group which could reasonably be perceived to compromise their independence and interfere with the exercise of their independent business judgment with a view to the best interest of the Group.

4.5 New directors will undergo an orientation programme whereby they are briefed by Management on the Group's industry and business operations.

It is noted that there is no new director appointed to the Board in FY2021.

The NC is of the view that the effectiveness of each Director is best assessed by a qualitative assessment of the Director's contribution and his ability to devote sufficient time and attention to the Company's affairs. The NC has set the maximum number of listed company board representation at 8. Having assessed the capacity of the Directors based on factors including expected and/or competing time commitment of directors, size and composition of the Board and nature and scope of the Group's operations and size, the NC is of the view that this number would allow Directors to have increased exposure to different Boards and broaden their experience and knowledge in relation to Board matters, hence ultimately benefitting the Company.

The NC is satisfied that sufficient time and attention are being given by the Directors to the affairs of the Group, notwithstanding multiple listed company board representations and principal commitments of some Directors of the Company, as the Board and the Board Committees experienced minimal competing time commitments among its Board and Board Committees meetings in FY2021, which are planned and scheduled in advance.

Please refer to Annual Report pages 18 for listed company directorships and principal commitments of each director.

PRINCIPLE 5: BOARD PERFORMANCE

The Board undertakes a formal annual assessment of its effectiveness as a whole, and that of each of its Board Committees and individual directors.

Guidelines	Corporate Governance Practices
5.1	The NC has in place a performance evaluation process where the effectiveness of the Board as a whole and each Board Committee and individual directors is carried out on an annual basis following the conclusion of each financial year.
5.2	The annual evaluation exercise provides an opportunity to obtain constructive feedback from each Director regarding changes which may be made to enhance the performance and functions of the Board and Board Committees including its procedures and processes. The annual evaluation process is undertaken as an internal exercise and involves Board members completing a questionnaire covering areas relating to but not limiting to: (1) Board/Board Committees composition (2) Information to the Board/Board Committees (3) Board/Board Committees procedures (4) Board accountability (5) Interactions with CEO (6) Standards of conduct by the Board/Board Committees The collective assessment is conducted by means of a confidential questionnaire to be completed by each Director before such assessment results are collated, analysed and reported to the respective Board Committees for their deliberation prior to the report to the Board. Individual evaluation of each Director is also conducted on an annual basis. The aim of the assessment is to assess whether each Director is able to and continues to contribute effectively and demonstrate commitment to his/her role. Recommendations to further enhance the effectiveness of the Board and Board Committees are implemented as and when appropriate, if any. The performance evaluation exercise for the Board, Board Committees and individual directors for FY2021 had been conducted. It was noted that all Directors individually and severally contributed effectively and demonstrated full commitment to their roles, and accordingly, the performance of the Board and the Board Committees for FY2021 were satisfactory. No external facilitator had been engaged for this purpose.

PRINCIPLE 6: PROCEDURES FOR DEVELOPING REMUNERATION POLICIES

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

Guidelines	Corporate Governance Practices
6.1	In consultation with the Chairman of the Board, the key responsibilities of the RC include but not limited to the following: (1) To recommend to the Board a framework of remuneration for Executive Directors and Key Management Personnel of the Group that is aligned with the interests of shareholders and ensure that such remuneration is appropriate to attract, motivate and retain the right talents for the Group; (2) To review and recommend to the Board for their endorsement on the annual remuneration packages for Executive Directors, Key Management Personnel and employees related to Directors or controlling shareholder of the Group, if any, which may include a performance-related variable bonus component; (3) To review and recommend to the Board the benefits under any long-term incentive schemes, if any, for Executive Directors and Key Management Personnel of the Group; (4) To review and recommend the remuneration package of employees related to Directors or controlling shareholder of the Group, if any; and (5) To review the contracts of service of the Executive Directors and Key Management Personnel of the Group. Each member of the RC will abstain from voting on any resolution and making any recommendation or participating in any deliberations of the RC in respect of matters concerning him, if any.
6.2	The members of the RC are: Mr Chen Timothy Teck-Leng (Chairman) Mr Pao Kiew Tee Mr Foo Shiang Ping The RC comprises entirely Non-Executive Directors.
6.3	In reviewing the remuneration packages for Executive Directors and Key Management Personnel of the Group, as well as employees related to the Directors and controlling shareholders of the Group, if any, the RC will consider their contributions as well as the financial performance and the commercial needs of the Group and ensure that they are adequately but not excessively remunerated by the Group. Further, the RC will take into consideration remuneration packages and employment conditions within the industry and within similar organisation structure as well as the Group's relative performance and the performance of individual employee.

The RC ensures that the remuneration packages of employees relating to the Directors and controlling shareholders of the Group, if any, are in line with the Group's staff remuneration guidelines and commensurate with their respective job scopes and levels of responsibilities.

The RC aims to be fair and avoid rewarding poor performance during the course of RC's duties. In relation to termination, termination clauses should be fair and not overly generously in respect of contract services entered into with Executive Directors and Key Management Personnel of the Group.

6.4 If necessary, the RC can seek appropriate expert advice inside and/or outside the Company on remuneration matters of the Directors and Key Management Personnel of the Group. No remuneration consultant was engaged by the Company for FY2021.

PRINCIPLE 7: LEVEL AND MIX OF REMUNERATION

The level and structure of remuneration of the Board and Key Management Personnel are appropriate and proportionate to the sustained performance and value creation of the Company, taking into account the strategic objectives of the Company.

Guidelines **Corporate Governance Practices**

7.1 The Company adopts a remuneration policy for Executive Directors and Key Management Personnel of the Group taking into consideration his or her individual performance contribution towards the overall performance of the Group for FY2021. Their remuneration comprised fixed and variable components.

Even though there are no contractual provisions allowing the Company to reclaim incentive components of remuneration from Executive Directors or Key Management Personnel of the Group in exceptional circumstances of misstatement of financial results or of misconduct resulting in financial loss to the Group, the Group will not hesitate to take legal actions against the personnel responsible in the event of such exceptional circumstances or misconduct resulting in financial loss to the Group.

7.2 Directors' fees payable/paid to the Non-Executive and Independent Directors are set in accordance with a remuneration framework comprising a basic fee and increment fixed fee, taking into account of the level of responsibilities such as taking the roles of chairman and member of Board Committees.

The Board, after the recommendation of the RC, has recommended an aggregate Directors' fees of S$138,600 to Non-Executive Director and Independent Directors of the Company for financial year ending 30 June 2022, to be paid quarterly in arrears, for shareholders' approval at the forthcoming AGM.

7.3 The Board is of the view that the current remuneration structure is appropriate to attract, retain and motivate Directors to provide good stewardship of the Company and key management personnel to successfully manage the Company for the long term.

PRINCIPLE 8: DISCLOSURE ON REMUNERATION

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

Guidelines **Corporate Governance Practices**

8.1 The following information relates to the remuneration received or to be received by the Directors from the Company and its subsidiaries for FY2021:

Directors/CEO	Fees %	Salaries[(1)] %	Bonus[(2)] %	Other Benefits[(3)] %	Total %
S$500,001 to below S$750,000					
Mr Phua Lam Soon	–	88.99	–	11.01	100
S$250,000 to below S$500,000					
Ms Ong Siew Eng	–	85.91	–	14.09	100
Below S$250,000					
Mr Ng Kok Seng	–	77.45	–	22.55	100
Mr Pao Kiew Tee	100	–	–	–	100
Mr Chen Timothy Teck-Leng	100	–	–	–	100
Mr Foo Shiang Ping	100	–	–	–	100

Notes:

(1) Employer Central Provident Fund contributions are included as part of salaries.
(2) Annual wage supplement and profit sharing, if any, are included as part of bonus. There was no profit sharing for Mr Phua Lam Soon in FY2021.
(3) Transportation allowances are included as part of other benefits.

After consideration, the Board is of the view that disclosing the exact remuneration details of each individual director and the CEO is not in the best interest of the Company given the competitive business environment.

There are no termination and retirement benefits that will be granted to Directors, the CEO and the top key management personnel.

As disclosed in this Annual Report, the Company has two (2) Key Management Personnel. In view of the confidentiality and sensitivity attached to remuneration matters, the Board is of the opinion that it is in the best interests of the Company not to disclose the exact remuneration and breakdown of total remuneration received by the Key Management Personnel for FY2021. Accordingly, the aggregate remuneration paid to the Key Management Personnel for FY2021 is also not provided in this Annual Report.

Details of remuneration paid to key management personnel of the Group for FY2021 are as follows:

Key Management Personnel	Salaries[(1)] %	Bonus[(2)] %	Other Benefits[(3)] %	Total %
Below S$250,000				
Ms Tan Hong Ean	100	–	–	100
Ms Loy Yan Ru [(4)]	100	–	–	100

Notes:

(1) Employer Central Provident Fund contributions are included as part of salaries.

(2) Annual wage supplement is included as part of bonus.

(3) Transportation allowances are included as part of other benefits.

(4) Ms Loy Yan Ru is the niece of the CEO, Mr Phua Lam Soon, and Executive Director, Ms Ong Siew Eng.

8.2 There were no employees who were immediate family members of a Director and/or the CEO, and whose remuneration exceeds S$100,000 during FY2021.

8.3 The Company has adopted the Boldtek Employee Share Option Scheme ("Scheme"), on 26 November 2018. The Scheme enables the Company to structure a competitive remuneration package, which is designed as an additional incentive tool to reward and retain employees and Directors (including those who are controlling shareholders or their associates).

PRINCIPLE 9: RISK MANAGEMENT AND INTERNAL CONTROLS

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

Guidelines **Corporate Governance Practices**

9.1 The Board acknowledges the ultimate responsibility for the governance of risk and sets the tone and direction for the Group in the way risks are managed in the Group's businesses. The Board approves the strategy of the Group in a manner that stakeholders' expectations are addressed and does not expose the Group to an unacceptable level of risks.

The Board after the recommendation of the AC approves the key risk management policies and ensures a sound system of risk management and internal controls and monitors performance against them. In addition to determining the approach to risk governance, the Board sets and instills the right risk-focused culture throughout the Group for effective risk governance.

The Board together with the AC oversee the Group's risk management framework and policies, pursuant to which, their roles and responsibilities include but not limited to the following:

(1) To propose the risk governance approach and risk policies for the Group;
(2) To review the risk management methodology adopted by the Group;
(3) To review the strategic, financial, operational, regulatory compliance, information technology and other emerging risks relevant to the Group identified by Management; and
(4) To review Management's risk assessment and Management's action plans to mitigate such risks.

In FY2021, the Management carried out an annual review of the Group's key risks and the effectiveness of the key internal controls of the Group.

9.2 The Board has received assurance from the CEO and the Financial Controller that, as at 30 June 2021, the Group's financial records have been properly maintained, and the financial statements give a true and fair view of Group's operations and finances.

The Board has also received assurance from the CEO and the key management personnel responsible for risk management and internal control systems that, as at 30 June 2021, the Group's risk management and internal control systems were adequate and effective to address financial, operational, compliance and information technology risks which the Group considers relevant and material to its operations.

Based on the internal controls established and maintained by the Group, work performed by internal and external auditors, reviews performed by management and various Board Committees as well as the said assurances received, the Board, with the concurrence of the AC, is of the opinion that the Group's internal controls and risk management systems were adequate and effective as at 30 June 2021 to address financial, operational, compliance risks and information technology risks which the Group considers relevant and material to its operations.

The Board notes that the internal controls and risk management systems provide reasonable, but not absolute, assurance that the Group will not be affected by any event that could be reasonably foreseen as it strives to achieve its business objectives. In this regard, the Board also notes that no system can provide absolute assurance against the occurrence of material errors, poor judgement in decision-making, human error, fraud or other irregularities.

PRINCIPLE 10: AUDIT COMMITTEE

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

Guidelines **Corporate Governance Practices**

10.1 The AC is empowered to investigate any matter relating to the Group's accounting, auditing, internal controls and financial practices brought to its attention, with full access to records, resources and personnel of the Group, to enable them to discharge its functions properly.

The AC has full access to Management and full discretion to invite any Director and officer to attend AC meetings held from time to time.

The key responsibilities of the AC include but not limited to the following:

(1) review the scope and results of the audit and its cost effectiveness;
(2) review the independence and objectivity of the external auditor annually;
(3) review the significant financial reporting issues and judgments so as to ensure the integrity of the financial statements of the Group and any formal announcements relating to the Group's financial performance;
(4) review the half year and full year financial results before submission to the Board for approval;
(5) review and reporting to the Board the adequacy of the Group's internal controls, as set out in the Code;
(6) review the effectiveness of the Group's internal audit function;
(7) meet periodically with the Company's external auditor; plan and discuss the results of the audit examination without the presence of the Management;

(8) meet periodically with the Company's internal auditor; plan and discuss the results of the evaluation of the Group's systems of internal controls without the presence of the Management;
(9) consider and recommend to the Board on the appointment, re-appointment and removal of the external and internal auditors, and approving the remuneration and terms of engagement of the external and internal auditors;
(10) review arrangements by which staff of the Group and external parties may, in confidentiality, raise concerns about possible improprieties in matters of financial reporting or other matters;
(11) review the external and internal auditors' reports;
(12) review the co-operation given by Management to the external auditor;
(13) review and approve interested persons transactions, if any, falling within the scope of Chapter 9 of Catalist Rules;
(14) review the adequacy of the business risk management process;
(15) review potential conflicts of interest, if any, and ensuring procedures for resolving such conflicts are strictly adhered to;
(16) undertake such other reviews and projects as may be requested by the Board and report to the Board its findings from time to time on matters arising and requiring the attention of the AC;
(17) review and establish procedures for receipt, retention and treatment of complaints received by the Group regarding, *inter alia*, criminal offences involving the Group or its employees, questionable accounting, auditing, business, safety or other matters that impact negatively on the Group; and
(18) generally undertake such other functions and duties as may be required by statute or the Catalist Rules, or by such amendments made thereto from time to time.

Each member of the AC will abstain from voting on any resolution and making any recommendation or participating in any deliberations of the AC in respect of matters concerning him, if any.

The AC has reviewed the non-audit services provided by the external auditor, Foo Kon Tan LLP ("**FKT**") for FY2021 and is satisfied that the non-audit services were insignificant and will not affect the independence and objectivity of FKT as external auditor of the Company. The aggregate fees paid to external auditor, as well as its fees for non-audit services is disclosed in page 103 of the Annual Report.

The AC has also considered the performance of FKT based on factors such as performance, adequacy of resources and experience of the audit engagement partner and audit team assigned to the Company's and the Group's audit as well as the size and complexity of the Company and of the Group. Accordingly, the AC has recommended the re-appointment of FKT as external auditor of the Company for the ensuing year.

The Group has established a whistle-blowing policy that seeks to provide a channel for the Group's employees and external parties to raise concerns in good faith and in confidentiality about possible improprieties in matters of financial reporting or other matters such as possible corruption, suspected fraud and other non-compliance issues. The AC will address the issues and/or concerns raised and ensure that necessary arrangements are in place for the independent investigation of issues and/or concerns raised by the employees and external parties and for appropriate follow-up actions. Details of the whistleblowing policies and arrangements have been made available to the Group's employees and external parties. The Group's employees and external parties may, in confidentiality, raise concerns about possible improprieties in matters of financial reporting or other matters by submitting a whistle blowing report to the email address: spfoo@spadvisory.com.sg. There were no whistleblowing reports received in FY2021.

10.2 The members of the AC are:

Mr Pao Tiew Kee (Chairman)
Mr Timothy Chew Teck-Leng
Mr Foo Shiang Ping

The AC consists of three members, all of whom are non-executive and the majority of whom, including the AC Chairman, are independent.

The Board is of the view that the AC members are appropriately qualified in discharging their duties and responsibilities and are capable of exercising sound and independent judgement in view of their requisite expertise and experience.

10.3 None of the members of the AC is a former partner or director of the Group's auditing firms or auditing corporations, and none of them has any financial interest in the Group's auditing firms or auditing corporations.

10.4 The Company has outsourced its internal audit function to KPMG Services Pte Ltd ("**KPMG**") ("**Internal Auditors**"). KPMG is a corporate member of the Institute of Internal Auditors Singapore and is staffed with professionals with relevant qualifications and experience.

The Internal Auditors report directly to the Chairman of the AC on internal audit matters. The AC approves the appointment, termination, evaluation and compensation of the internal auditors. The Internal Auditors carry out their audit work in accordance with the Standards for the Professional Practice of Internal Auditing set by the Institute of Internal Auditors.

The Internal Auditors plan their audit schedules in consultation with but independent of Management. The internal audit plan is submitted to the AC for approval prior to implementation. The AC reviews the activities of the Internal Auditors and meets with the Internal Auditors at least once a year to approve their audit plans and to review their report for the current reporting period. The AC ensures that the Internal Auditors have the necessary resources to perform its functions adequately.

The AC has reviewed the adequacy, effectiveness and independence of the internal audit function at least annually and is satisfied that the internal audit function is effective and independent, and the internal auditors are adequately resourced, staffed with persons with the relevant qualifications and experience as well as having the appropriate standing and independence from the Group to fulfil their mandate. The AC ensures that the Internal Auditors have unfettered access to all the Group's documents, records, properties and personnel including access to the AC.

10.5 In performing its duties, the AC reviews the overall scope of both internal audit and external audit, and the assistance and resources given by Management to the Internal Auditor and the external auditor.

The AC also meets with the Internal Auditor and the external auditor annually after the conclusion of each financial year, without the presence of Management, to discuss the results of their respective audit findings and their evaluation of the Group's system of accounting and internal controls.

PRINCIPLE 11: SHAREHOLDER RIGHTS AND CONDUCT OF GENERAL MEETINGS

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

Guidelines	Corporate Governance Practices
11.1	Shareholders of the Company are entitled to receive, among others, notice of general meetings, annual report, offer information statement or circulars, whichever is applicable, via mail. Such documents are also made available on SGXNet. To facilitate shareholders to exercise their ownership rights, the Board ensures that adequate and material information concerning to the Group's business development are provided to shareholders in a timely and fair manner. All resolutions put forth at general meetings to be voted by way of poll and the result of each resolution is announced at general meetings and released subsequently on SGXNet. In view of the current COVID-19 situation, the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020, as amended from time to time ("**Alternative Arrangements Order**") came into force to provide for alternative arrangements for, amongst others, listed companies in Singapore to hold their general meetings. Accordingly, the Annual Report, Notice of AGM and Proxy Form will be made available to shareholders solely by electronic means via publication on SGXNet. The upcoming AGM will also be held by way of electronic means. Shareholders may submit questions in advance of the AGM and must appoint the Chairman of the Meeting as proxy to attend, speak and vote on their behalf at the AGM.
11.2	Resolutions on each distinct issue are tabled separately at general meetings. For resolutions tabled under special business, a descriptive explanation of the effects of such resolution will be disclosed in the notice of general meeting.
11.3	The Directors and the external auditors of the Company will be present at the general meetings. The Management will also be present to facilitate the proceedings. All the Directors were present at the last AGM held on 26 November 2020 via electronic means. Due to the current COVID-19 situation, the Company is holding its AGM via electronic means. The Directors will address shareholders' queries, if any, prior to the holding of the AGM. The procedures for the forthcoming AGM to be held on 30 November 2021 can be found on pages 128 to 129 of this Annual Report. Such procedures will continue to be in place until the Alternative Arrangements Order or other alternative measures are no longer effective or necessary.
11.4	Individual shareholders and corporate shareholders, who are unable to attend general meetings of the Company, are entitled to appoint not more than two proxies to vote on their behalf at the general meetings of the Company. However, as the forthcoming AGM will be held via electronic means, shareholders who wish to vote at the AGM can only do so by appointing the Chairman of the Meeting to act as his/her proxy to vote on his/her behalf in respect of all the Shares held by him/her. With effect from 3 January 2016, those shareholders whose shares held under the names of relevant intermediaries as defined under Section 181 of the Companies Act, Chapter 50 of Singapore, such as nominees or custodial institutions, are allowed to attend the general meetings of the Company personally as the relevant intermediaries are allowed to appoint more than two proxies ie. individual shareholders, corporate shareholders or their representatives to attend and vote at the general meetings of the Company.

11.5	The proceedings of general meetings, including questions and answers exchanged among the Board, the Management and the shareholders, will be recorded in minutes and made available to the shareholders of the Company upon their request.
11.6	The Company currently does not have a fixed dividend policy. The dividend that the Directors may recommend or declare in respect of any particular financial year or period will be subject to the factors outlined below as well as any other factors deemed relevant by the Directors: (1) the level of the earnings of the Group; (2) the financial position of the Group; (3) the projected levels of the Group's capital expenditure and other investment plans; (4) the restrictions on payment of dividends imposed on the Group by the Group's financing arrangements (if any); and (5) other factors as the Directors may consider appropriate. The Board is not recommending any dividend for FY2021 at the forthcoming AGM due to the cash requirements for the Group's operations.

PRINCIPLE 12: ENGAGEMENT WITH SHAREHOLDERS

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

Guidelines	**Corporate Governance Practices**
12.1 to 12.3	The Board is committed to maintain a high standard of corporate governance by disclosing to its stakeholders, including its shareholders and investors, adequate and material information concerning the Group's business in accordance with disclosure requirements of the Catalist Rules in a timely and fair manner. The Board is mindful of its obligation to provide adequate and timely disclosure of all material and price-sensitive information through SGXNet. The corporate profile and announcements of the Company are also available at http://www.boldtekholdings.com. The Company does not practice selective disclosure as all relevant material and price-sensitive information are released on SGXNet in a timely and fair manner. The shareholders of the Company, including institutional investors and retail investors, are encouraged to attend general meetings, which serves as the primary channel to express their views and raise questions regarding the Group's businesses and prospects. In addition, the Management will address shareholders' questions and concerns in respect of the Group's businesses should they approach the Company through emails or calls.

PRINCIPLE 13: ENGAGEMENT WITH STAKEHOLDERS

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

Guidelines	Corporate Governance Practices
13.1	Details of the Company's engagement with its material stakeholders will be set out in the Sustainability Report which will be issued by 31 December 2021.
13.2	The Company's efforts on sustainability are focused on creating sustainable value for key stakeholders, which include communities, customers, employees, regulators, shareholders and vendors.
13.3	The Company maintains a corporate website at http://www.boldtekholdings.com to communicate and engage stakeholders.

Dealings in Securities – Catalist Rule 1204(19)

The Company has adopted an internal code of conduct and policy on dealings in the Company's securities in accordance with Rule 1204(19) of the Catalist Rules. The Company, Directors and officers are prohibited from trading in the Company's securities, during the period commencing one (1) month before the announcement of the Company's half year and full year financial results, and ending on the date of the announcement of the relevant results ("**Prohibited Period**").

In addition, Directors and officers of the Company are reminded:

(i) not to deal with the Company's securities on short term considerations or if in possession of unpublished material price-sensitive information;
(ii) to report their dealings in shares of the Company; and
(iii) to comply with and observe the laws on insider trading even if they trade in the Company's securities outside the Prohibited Period.

The Company confirms its compliance with Rule 1204(19) of the Catalist Rules.

Interested Person Transactions – Catalist Rule 1204(17)

The Group has established procedures to ensure that all transactions with interested persons ("IPTs") are reported in a timely manner to the AC and that such transactions are conducted on an arm's length basis that are not prejudicial to the interests of the shareholders. When a potential conflict of interest occurs, the Director concerned will recuse himself from discussions and refrain from exercising any influence over other members of the Board.

There were no IPTs of S$100,000 and above for FY2021.

The Group does not have a general mandate obtained from shareholders for IPTs.

Material Contracts – Catalist Rule 1204(8)

There was no material contract entered into by the Company and its subsidiaries involving the interests of the CEO, each Director, or controlling shareholder, which are either still subsisting at the end of FY2021 or if not then subsisting, entered into since the end of the previous financial year.

Appointment of Auditors – Catalist Rules 712, 715 and 716

The Company confirms its compliance with Rules 712, 715 and 716 of the Catalist Rules.

Confirmation of adequacy of internal controls – Catalist Rule 1204(10)

Based on the internal controls established and maintained by the Group, work performed by the external and internal auditors, assurance from the CEO and the financial controller, and reviews by the Management and the Board Committees, the AC and the Board are 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.

Non-Sponsor Fees – Catalist Rule 1204(21)

No non-sponsor fees were paid to the Company's sponsor, RHT Capital Pte. Ltd., in FY2021.

Utilisation of Proceeds – Catalist Rule 1204(22)

The Company has completed the allotment of the rights shares on 20 October 2021. The status in terms of utilisation of net proceeds[1] from the rights issue as at the date of this Annual Report, is as follows:

Purpose	Amount allocated (S$)	Amount utilised (S$)	Balance (S$)
General working capital requirements [2]	1,837,455	1,213,905	623,550
Total	**1,837,455**	**1,213,905**	**623,550**

Notes:

(1) The actual net proceeds differ from the estimated net proceeds of S$1,849,055 due to additional expenses incurred in connection with the rights issue.

(2) Utilised for:

- (i) Salary related expenses (S$300,628);
- (ii) Repayment of borrowings (S$292,964); and
- (iii) Payment to suppliers (S$620,313).

The Board will make periodic announcements on the utilisation of the balance of the net proceeds as required under Rule 1204(22) of the Catalist Rules.

DIRECTORS' STATEMENT

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021

The directors present their statement to the members together with the audited consolidated financial statements of Boldtek Holdings Limited (the "Company") and its subsidiaries (collectively the "Group") for the financial year ended 30 June 2021 and the statement of financial position of the Company as at 30 June 2021.

In the opinion of the directors,

(a) the financial statements are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 30 June 2021 and the financial performance, changes in equity and cash flows of the Group for the financial year then ended in accordance with the provisions of the Singapore Companies Act, Chapter 50 (the "Act") and Singapore Financial Reporting Standards (International); and

(b) at the date of this statement, as disclosed in Note 1.1 to the financial statements, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

DIRECTORS

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

Phua Lam Soon
Ong Siew Eng
Ng Kok Seng
Pao Kiew Tee
Chen Timothy Teck-Leng
Foo Shiang Ping

ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE SHARES AND DEBENTURES

Except as disclosed under 'Share options scheme' section of this statement, neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose object was to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of the Company or any other body corporate.

DIRECTORS' INTEREST IN SHARES OR DEBENTURES

According to the Register of Directors' Shareholdings kept by the Company under Section 164 of the Companies Act, Chapter 50, none of the directors who held office at the end of the financial year had any interest in the shares or debentures of the Company or its related corporations, except as follows:

	Holdings registered in the name of director		Holdings in which director is deemed to have an interest	
	As at 1.7.2020	**As at 30.6.2021**	**As at 1.7.2020**	**As at 30.6.2021**
The Company	**Number of ordinary shares**			
Phua Lam Soon [(1)]	14,701,600	14,701,600	105,454,900	105,454,900
Ong Siew Eng [(1)]	14,873,600	14,873,600	105,282,900	105,282,900
Ng Kok Seng	1,490,000	1,490,000	–	–
Foo Shiang Ping	130,000	130,000	–	–

	Holdings registered in the name of director		Holdings in which director is deemed to have an interest	
	As at 1.7.2020	**As at 30.6.2021**	**As at 1.7.2020**	**As at 30.6.2021**
Immediate and ultimate holding corporation	**Number of ordinary shares**			
Yi Investment Pte. Ltd.				
Phua Lam Soon [(1)]	25,000	25,000	25,000	25,000
Ong Siew Eng [(1)]	25,000	25,000	25,000	25,000

Notes:

(1) Mr Phua Lam Soon is deemed to have an interest in the shareholding of Ms Ong Siew Eng and vice versa by virtue of their relationship as husband and wife.

The directors' interests in the shares of the Company at 21 July 2021 were the same at 30 June 2021.

By virtue of Section 7 of the Act, Phua Lam Soon and Ong Siew Eng are deemed to have interests in the immediate and ultimate holding company, the Company and its subsidiaries.

Except as disclosed in this statement, no directors who held office at the end of the financial year had interests in shares, debentures, warrants or share options of the Company, or of related corporations, either at the beginning or at the end of the financial year.

SHARE OPTIONS SCHEME

At an Extraordinary General Meeting of the Company held on 29 October 2018, the shareholders of the Company approved the Boldtek Employee Share Option Scheme (the "Scheme"). Under the Scheme, the Company may grant options to employees of the Group who have contributed to the success and development of the Company and its subsidiaries, directors of the Company and its subsidiaries, whether holding office in an executive or non-executive capacity, or who are also controlling shareholders (as defined in the SGX listing manual) to subscribe for ordinary shares in the Company provided that the number of shares in respect of which options may be granted to:

(i) The aggregate number of shares which the Employee Share Option Scheme Committee may grant options on any date, when added to the number of shares issued and/or issuable in respect of (a) all options granted under the Scheme; and (b) all options or awards granted under any other incentive schemes or share plan adopted by the Company and for the time being in force shall not exceed 15% of the total number of issued shares of the Company (excluding treasury shares and subsidiary holdings) on the day immediately preceding the relevant date of grant of options; and

(ii) The aggregate number of shares available to controlling shareholders and their associates must not exceed 25% of the total number of shares available under the Scheme, and the number of shares available to each controlling shareholder or his associate must not exceed 10% of the total number of shares available under the Scheme.

The Scheme is administered by a Remuneration Committee which comprises of Chen Timothy Teck-Leng (Chairman), Pao Kiew Tee and Foo Shiang Ping, all whom are directors of the Company.

SHARE OPTIONS GRANTED

Name of directors	Options granted during the financial year ended 30.06.2021	Aggregate options granted since commencement of Scheme to 30.06.2021	Aggregate options exercised since commencement Scheme to 30.06.2021	Aggregate options outstanding as at 30.06.2021
Phua Lam Soon	–	2,784,375	–	2,784,375
Ong Siew Eng	–	2,784,375	–	2,784,375

No options to take up unissued shares of the subsidiaries have been granted during the financial year.

SHARE OPTIONS EXERCISED

No shares were issued during the financial year to which this report relates by virtue of the exercise of the options to take up unissued shares of the Company or any of its subsidiaries.

UNISSUED SHARES UNDER OPTION

Date options granted	Balance at 1.7.2020	Granted during the financial year	Exercised during the financial year	Balance at 30.6.2021	Number of option holders at 30.6.2021
26.11.2018	5,568,750	–	–	5,568,750	2

There were no unissued shares of subsidiaries under option at 30 June 2021.

Phua Lam Soon and Ong Siew Eng, both directors, are interested in 2,784,375 options each at the end of the financial year and at 21 July 2021.

AUDIT COMMITTEE

The members of the Audit Committee ("AC") at the end of the financial year were as follows:

Pao Kiew Tee	Independent Director (Chairman)
Chen Timothy Teck-Leng	Independent Director
Foo Shiang Ping	Non-executive Director

The AC performs the functions in accordance with Section 201B(5) of the Act, the Singapore Exchange Securities Trading Limited ("SGX-ST") Listing Manual and the Code of Corporate Governance.

The AC has held three meetings since the beginning of this financial year and has reviewed the following, where relevant, with the executive directors, independent auditor and internal auditors of the Company:

(a) the scope and the results of the audit with independent auditor and internal auditors;

(b) the audit plans of the independent auditor and internal auditors and the results of the evaluation of the Group's systems of internal accounting controls;

(c) the Group's financial and operating results and accounting policies;

(d) the statement of financial position of the Company and the consolidated financial statements of the Group before their submission to the Board of Directors and the independent auditor's report on those financial statements;

(e) the half-yearly and annual announcements and press releases on the results and financial positions of the Company and the Group;

AUDIT COMMITTEE (CONTINUED)

(f) interested person transactions (if any) falling within the scope of the Rules of Catalist of SGX-ST (the "Catalist Rule"), Chapter 9 of the Catalist Rules;

(g) the co-operation and assistance given by the management to the independent auditor and internal auditors; and

(h) the re-appointments of the independent auditor and internal auditors of the Group.

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

The AC has recommended to the Board that the independent auditor, Foo Kon Tan LLP, be nominated for re-appointment at the forthcoming Annual General Meeting of the Company.

INDEPENDENT AUDITOR

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

On behalf of the Directors

....
PHUA LAM SOON

....
NG KOK SENG

12 November 2021

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF BOLDTEK HOLDINGS LIMITED

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

OPINION

We have audited the financial statements of Boldtek 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 30 June 2021, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements of the Group and the statement of financial position of the Company are properly drawn up in accordance with the provisions of the Singapore Companies Act, Chapter 50 (the "Act") and Singapore Financial Reporting Standards (International) ("SFRS(I)s") so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 30 June 2021 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group 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 (CONTINUED)

Key audit matter	How our audit addressed the matter
Revenue recognition of construction contracts	
For the financial year ended 30 June 2021, the Group recognised revenue from construction contracts of $32,683,000 (2020: $35,915,000). The Group uses estimates in accounting for its revenue from construction contracts. Revenue from construction contracts is recognised using the cost based input method that reflects the over time transfer of control to its customer. This is measured by reference to the Group's progress towards completing the performance obligations in the contract. The measure of the progress is determined based on the proportion of contract costs incurred to date to the estimated total costs. We focused on this area because of the significant judgement required in preparing reasonable estimates of the initial budgeted costs and periodic review of the budgeted costs subsequently which could result in material variance in the amount recognised in profit or loss to date and therefore also in the current period.	We assessed the revenue recognition policies adopted to ensure compliance with SFRS(I). We carried out testing of key controls over revenue recognition. We also performed substantive testing including test of details of transactions. Our audit procedures over revenue recognition include: i. Obtained an understanding and tested key controls over the recognition of contract revenue and evaluated the design and implementation of key controls over the budgeting process recognition of contract costs and tested the effectiveness of these key controls, on a sample basis, and determined that these controls were operating effectively throughout the financial year; and ii. For significant projects identified, we agreed revenue recognised to contract sums and obtained supporting documentation for the variation orders from the customers during the year. We also verified the actual costs incurred against the underlying documents such as suppliers' invoices and progress claims from subcontractors. We have performed a re-computation to ascertain whether the revenue was recognised according to the progress towards completing the performance obligation in the contract of each identified project. We have also assessed the key assumptions used by management in estimating the total budgeted costs for the new projects by inspection of supporting documents such as quotations from the suppliers and subcontractors.

KEY AUDIT MATTERS (CONTINUED)

Key audit matter	How our audit addressed the matter
Lower of cost and net realisable value of completed properties for sale	
As at 30 June 2021, the Group has completed properties for sale carried at $5,702,000 (2020: $5,744,000) located in Malaysia. These properties are stated at the lower of cost and net realisable value. Net realisable value represents the estimated selling price less estimated costs of completion and selling expenses. The determination of the estimated net realisable value of these properties is mainly dependent upon the management's expectations of future selling prices, which are affected by, among other things, demand supply factors, interest rates, government policies and economic conditions. There is a risk that the estimate of net realisable values exceeds future selling prices, resulting in a loss when these properties are sold. The valuation reports obtained from the external valuers in respect of the completed properties for sale located in Malaysia also highlighted that given the unprecedented set of circumstances due to COVID-19 pandemic on which to base a judgement, less certainty, and a higher degree of caution, should be attached to their valuations than would normally be the case. Due to the unknown future impact that COVID-19 pandemic might have on the industry, the external valuers have also recommended to keep the valuation of these properties under frequent review.	We have performed the following: i. Evaluated the objectivity and independence of the external valuer, and also considered the qualifications and competency of the external valuer engaged by the management; ii. Discussed with the external valuer on the results of the work and checked to recent transacted prices and latest market prices of comparable properties located in the vicinity of these properties; iii. Engaged an auditor's expert to review the adequacy of the work performed and evaluated and ascertained that the auditor's expert has the competence, capabilities and objectivity for our purpose; and iv. Assessed the adequacy of allowance for write down to net realisable value, if any.

KEY AUDIT MATTERS (CONTINUED)

Key audit matter	How our audit addressed the matter
Impairment testing of non-financial assets (the Group's property, plant and equipment and right-of-use assets)	
In view of the losses incurred by the subsidiaries for the current financial year, management has assessed that there are indications of impairment of the property, plant and equipment and right-of-use assets of the Group. Accordingly, these assets are tested for impairment. The impairment testing of the Group's property, plant and equipment and right-of-use assets is considered to be a significant risk area due to the judgemental nature of key assumptions and the significance of the carrying amounts of these assets in the statement of financial position of the Group. An impairment loss is recognised for the amount by which an asset's or cash-generating unit's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of value in use and fair value less costs of disposal. Fair value less costs of disposal encompass estimating the expected selling prices of the underlying assets by identifying the comparable assets and determining the current market prices of these assets. Input inaccuracies or inappropriate bases used to determine the level of impairment, including the comparable assets used in the fair value measurements, could result in material misstatement in the financial statements. The valuation techniques and inputs to the impairment tests based on fair value less costs of disposal are disclosed in Note 5 to the financial statements.	Our procedures in relation to management's testing of impairment and determination of the recoverable amount of the Group's property, plant and equipment and right-of-use assets based on fair value less costs of disposal included: i. Assessed the methodologies and appropriateness of the key assumptions used by the management's experts; ii. Obtained an understanding and reviewed the assumptions in the input data from management and the management's experts through discussions, comparisons to independent external data sources, and agreed to supporting documentation and historical trends; and iii. Evaluated the competence, capabilities and objectivity of the management's experts. We involved auditor's expert to assist us in the above. We evaluated the competence, capabilities and objectivity of the auditor's expert, and the adequacy of the work performed by the experts. We also considered the adequacy of disclosures in the financial statements, describing the methodologies used, degree of subjectivity and key assumptions used in the estimates.

KEY AUDIT MATTERS (CONTINUED)

Key audit matter	How our audit addressed the matter
Valuation of investment properties	
As at 30 June 2021, the Group has investment properties carried at $17,541,000 (2020: $17,837,000) located in Singapore and Malaysia. Investment properties are stated at their fair values based on independent external valuations as at 30 June 2021. The valuation process involves significant judgement in determining the appropriate valuation methodology to be used, and in estimating the underlying assumptions to be applied. These estimates include adjustments made for differences between the subject properties and comparables, taking into consideration differences such as timing of transactions, location, size, tenure, accessibility, infrastructure availability, property use and conditions. The valuation reports obtained from the external valuers in respect of the investment properties located in Malaysia also highlighted that given the unprecedented set of circumstances due to COVID-19 pandemic on which to base a judgement, less certainty, and a higher degree of caution, should be attached to their valuations than would normally be the case. Due to the unknown future impact that COVID-19 pandemic might have on the industry, the external valuers have also recommended to keep the valuation of these properties under frequent review.	We have performed the following procedures in response to the risk over the valuation of investment properties: i. Evaluated the competence, capabilities and objectivity of the external valuers engaged by management; ii. Discussed the key assumptions and critical judgemental areas with the external valuers and understood the approaches taken by the valuers in determining the valuation of the investment properties; iii. Engaged an auditor's expert to review the adequacy of the work performed, including significant judgement, estimates and assumptions used by the external valuers in arriving at the valuation amounts; and iv. Reviewed the classification and disclosures of investment properties in the financial statements, including disclosure of significant judgements, estimates and assumptions and fair value hierarchy.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF BOLDTEK HOLDINGS LIMITED

OTHER INFORMATION

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 a 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.

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:

- 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.

- 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.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

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

- 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.

- 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.

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

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

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

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current period 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 those subsidiary corporations incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditor's report is Chan Ser.

Foo Kon Tan LLP
Public Accountants and
Chartered Accountants

Singapore, 12 November 2021

STATEMENTS OF FINANCIAL POSITION

AS AT 30 JUNE 2021

		The Group		The Company	
	Note	30 June 2021 $'000	30 June 2020 $'000	30 June 2021 $'000	30 June 2020 $'000
ASSETS					
Non-Current Assets					
Investments in subsidiaries	3	–	–	16,972	17,072
Investment in a joint venture company	4	496	–	500	–
Property, plant and equipment	5	8,657	8,801	1	2
Investment properties	6	17,541	17,837	–	–
Deferred tax assets	7	132	170	–	–
		26,826	26,808	17,473	17,074
Current Assets					
Inventories	8	35	125	–	–
Contract assets	9	57,279	41,618	–	–
Completed properties for sale	10	5,702	5,744	–	–
Trade and other receivables	11	12,516	7,027	5,321	4,777
Other current assets	12	808	847	3	3
Grant receivables	13	71	333	–	20
Cash and bank balances	14	898	3,514	25	73
		77,309	59,208	5,349	4,873
Total assets		104,135	86,016	22,822	21,947
EQUITY AND LIABILITIES					
Capital and Reserves					
Share capital	15	17,676	17,676	17,676	17,676
Retained profits/(Accumulated losses)		9,806	9,177	(467)	1,196
Currency translation reserve	16	(59)	(60)	–	–
Merger reserve	17	(2,014)	(2,014)	–	–
Capital reserve	18	(876)	(876)	–	–
Property revaluation reserve	19	424	424	–	–
Share option reserve	20	396	282	396	282
Equity attributable to owner of the parent		25,353	24,609	17,605	19,154
Non-controlling interests		(79)	(63)	–	–
Total equity		25,274	24,546	17,605	19,154
Non-Current Liabilities					
Borrowings	21	10,666	9,514	–	–
Lease liabilities	22	1,954	2,008	–	–
Deferred tax liabilities	7	721	799	–	–
		13,341	12,321	–	–
Current Liabilities					
Trade and other payables	23	42,279	24,946	3,917	1,260
Contract liabilities	24	1,265	1,427	–	–
Current tax payable		78	207	–	6
Deferred grants	13	210	318	–	27
Borrowings	21	21,463	22,101	1,300	1,500
Lease liabilities	22	225	150	–	–
		65,520	49,149	5,217	2,793
Total liabilities		78,861	61,470	5,217	2,793
Total equity and liabilities		104,135	86,016	22,822	21,947

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

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021

	Note	Year ended 30 June 2021 $'000	Year ended 30 June 2020 $'000
Revenue	25	60,255	52,920
Cost of works		(55,469)	(48,102)
Gross profit		4,786	4,818
Other income	26	3,913	1,565
Other expenses	27	(337)	(896)
Distribution and marketing costs		(128)	(112)
Administrative expenses		(6,590)	(8,283)
Finance costs	28	(995)	(1,126)
Share of result of a joint venture company	4	(4)	–
Profit/(Loss) before taxation		645	(4,034)
Taxation	29	(32)	20
Total profit/(loss) for the financial year	30	613	(4,014)
Other comprehensive income after tax:			
Items that may be reclassified subsequently to profit or loss			
Exchange differences on translation of foreign operations		1	1
Other comprehensive income for the financial year, net of nil tax		1	1
Total comprehensive income/(loss) for the financial year		614	(4,013)
Profit/(Loss) attributable to:			
Owners of the parent		629	(3,948)
Non-controlling interests		(16)	(66)
		613	(4,014)
Total comprehensive income/(loss) attributable to:			
Owners of the parent		630	(3,947)
Non-controlling interests		(16)	(66)
		614	(4,013)
Earnings/(losses) per share attributable to owner of the parent (cents)			
- Basic and diluted	31	0.34	(2.13)

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

CONSOLIDATED STATEMENT OF
CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021

	Attributable to equity holders of the Company									
	Share capital	Retained profits	Currency translation reserve	Merger reserve	Capital reserve	Property revaluation reserve	Share option reserve	Equity attributable to owners of the parent	Non-controlling interests	Total equity
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Balance at 1 July 2019	17,676	13,125	(61)	(2,014)	(876)	424	141	28,415	3	28,418
Total comprehensive loss for the financial year:										
Loss for the financial year	–	(3,948)	–	–	–	–	–	(3,948)	(66)	(4,014)
Other comprehensive income	–	–	1	–	–	–	–	1	–	1
	–	(3,948)	1	–	–	–	–	(3,947)	(66)	(4,013)
Recognition of share-based payments, representing transactions with owners, recognised directly in equity	–	–	–	–	–	–	141	141	–	141
Balance at 30 June 2020	17,676	9,177	(60)	(2,014)	(876)	424	282	24,609	(63)	24,546
Total comprehensive income for the financial year:										
Profit for the financial year	–	629	–	–	–	–	–	629	(16)	613
Other comprehensive income	–	–	1	–	–	–	–	1	–	1
	–	629	1	–	–	–	–	630	(16)	614
Recognition of share-based payments, representing transactions with owners, recognised directly in equity	–	–	–	–	–	–	114	114	–	114
Balance at 30 June 2021	17,676	9,806	(59)	(2,014)	(876)	424	396	25,353	(79)	25,274

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

CONSOLIDATED STATEMENT OF
CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021

	Note	Year ended 30 June 2021 $'000	Year ended 30 June 2020 $'000
Cash Flows from Operating Activities			
Profit/(Loss) before taxation		645	(4,034)
Adjustments for:			
Depreciation of property, plant and equipment	5	892	1,033
Gain on disposal of property, plant and equipment	26	–	(22)
Impairment loss on property, plant and equipment	27	–	90
Interest expense	28	995	1,126
Changes in fair value of investment properties	6, 27	204	651
Share-based payment expense		114	141
(Reversal of impairment loss)/impairment loss on financial assets and contract assets	30	(454)	974
Share of results of a joint venture company	4	4	–
Bad debts written off	30	–	67
Government grants	26	(3,147)	(1,176)
Unrealised currency translation differences		136	129
Operating loss before working capital changes		(611)	(1,021)
Inventories		90	(95)
Government grants received		3,292	1,161
Trade and other receivables		(2,624)	530
Contract assets		(15,414)	1,461
Other current assets		39	(40)
Trade and other payables		8,543	(3,357)
Contract liabilities		(162)	361
Cash used in operations		(6,847)	(1,000)
Income taxes paid		(201)	(373)
Net cash used in operating activities		(7,048)	(1,373)
Cash Flows from Investing Activities			
Acquisition of property, plant and equipment (Note a)		(486)	(208)
Investments in a joint venture company		(500)	–
Advances for working capital to joint venture company	11	(2,658)	–
Proceeds from disposal of property, plant and equipment		–	22
Net cash used in investing activities		(3,644)	(186)
Cash Flows from Financing Activities			
Advances from directors	23	8,790	–
Repayment of lease liabilities	21.2	(241)	(202)
Proceeds from borrowings	21.2	23,773	30,378
Repayment of borrowings	21.2	(23,566)	(26,040)
Interest paid	21.2	(995)	(1,126)
Net cash generated from financing activities		7,761	3,010
Net (decrease)/increase in cash and bank balances		(2,931)	1,451
Cash and bank balances at beginning of the financial year		3,336	1,886
Exchange differences on translation of cash and bank balances		(1)	(1)
Cash and bank balances at end of the financial year	14	404	3,336

Note a:

For the financial year ended 30 June 2021, the Group acquired property, plant and equipment ("PPE") with an aggregate cost of S$690,000 (2020 - S$374,000) of which S$486,000 (2020 - S$208,000) was paid in cash and the remaining amount of S$204,000 (2020 - S$166,000) was acquired as leases (right-of-use assets).

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

1 GENERAL INFORMATION

The consolidated financial statements of the Group for the financial year ended 30 June 2021 and the statement of financial position of the Company as at 30 June 2021 were authorised for issue in accordance with a resolution of the directors on the date of the Directors' Statement.

The Company is listed on the Catalist, the sponsor-supervised listing platform of The Singapore Exchange Securities Trading Limited ("SGX-ST"), and incorporated and domiciled in Singapore.

The registered office is located at 72 Senoko Drive Singapore 758240.

The principal activities of the Company are investment holding. The principal activities of the subsidiaries are disclosed in Note 3 to the financial statements.

The Company's immediate and ultimate holding corporation is Yi Investment Pte. Ltd., which is incorporated in Singapore.

1.1 GOING CONCERN

As at 30 June 2021, the Group incurred net cash outflow from operations of $7,048,000 (2020: $1,373,000). In addition, for the financial year ended 30 June 2021, notwithstanding that the Group had generated a net profit of $613,000 (2020: net loss of $4,014,000), excluding government grants of $3,147,000 (2020: $1,176,000) which are non-recurring in nature, the Group had incurred a net loss of $2,534,000 (2020: $5,190,000). Nonetheless, the directors are of the view that the going concern assumption is appropriate for the preparation of the financial statements, due to the following:

(i) As at 30 June 2021, the Group had net current assets and net assets of $11,789,000 (2020: $10,059,000) and $25,274,000 (2020: $24,546,000), respectively.

(ii) The directors have undertaken to provide necessary financial support to the Group to enable it to continue operations and meet its liabilities as and when they fall due.

(iii) As disclosed in Note 40 to the financial statements, on 20 October 2021, the Group allotted and issued 111,375,000 Rights Shares. The net proceeds from the issuance of the Rights Shares amounted to $1,837,455.

(iv) At the end of the reporting period, the Group's unfulfilled order book based on secured contracts stood at S$107.8 million. As disclosed in Note 40 to the financial statements, on 11 August 2021, the Company's wholly owned subsidiary, Logistics Construction Pte. Ltd., was awarded a contract ("Contract") amounting to S$37.28 million by the Civil Aviation Authority of Singapore, for addition and alteration works to the existing Air Traffic Control Centre. The project is scheduled to commence on 16 August 2021 and is expected to be completed by 1Q2023.

In assessing whether the Group can meet their debt obligations for at least 12 months from the end of the reporting period, management has prepared cash flow forecast for the financial year ending 30 June 2022. Based on the forecast and having regard to the above, the directors believe that the Group has sufficient working capital and financial resources to enable them to meet their liabilities as and when they fall due and continue as going concern for at least 12 months from the end of the reporting period. Accordingly, the directors are of the view that the going concern assumption is appropriate for the presentation of these financial statements.

2(A) BASIS OF PREPARATION

The financial statements have been prepared under the historical cost convention, 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)").

The financial statements are presented in Singapore Dollars which is the Company's functional currency. All the financial information is presented in thousands of Singapore Dollars ("$'000"), unless otherwise stated.

2(B) ADOPTION OF NEW AND REVISED SFRS(I) EFFECTIVE FOR THE CURRENT FINANCIAL YEAR

On 1 July 2020, the Group and the Company have adopted all the new and revised SFRS(I), SFRS(I) interpretations ("SFRS(I) INT") and amendments to SFRS(I), effective for the current financial year that are relevant to them. The adoption of these new and revised SFRS(I) pronouncements does not result in significant changes to the Group's and the Company's accounting policies and has no material effect on the amounts or the disclosures reported for the current or prior reporting periods.

Reference	**Description**	**Effective date (Annual periods beginning on or after)**
Amendments to SFRS(I) 3	*Definition of a Business*	1 January 2020
Amendments to SFRS(I) 1-1 and SFRS(I) 1-8	*Definition of Material*	1 January 2020
Amendments to SFRS(I) 9, SFRS(I) 1-39 and SFRS(I) 7	*Interest Rate Benchmark Reform*	1 January 2020
Revised Conceptual Framework for Financial Reporting		1 January 2020
Amendments to SFRS(I) 16	*COVID-19 Related Rent Concessions*	1 June 2020

Amendments to SFRS(I) 3 *Definition of a Business*

The amendments clarify that, while businesses usually have outputs, outputs are not required for an integrated set of activities and assets to qualify as a business. To be considered a business, an acquired set of activities and assets must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create outputs. The amendments remove the assessment of whether market participants are capable of replacing any missing inputs or processes and continuing to produce outputs.

The amendments introduce an optional concentration test that permits a simplified assessment of whether an acquired set of activities and assets is not a business. Under the optional concentration test, the acquired set of activities and assets is not a business if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar assets.

The amendments are applied prospectively to all business combinations and asset acquisitions for which the acquisition date is on or after 1 January 2020.

2(B) ADOPTION OF NEW AND REVISED SFRS(I) EFFECTIVE FOR THE CURRENT FINANCIAL YEAR (CONTINUED)

Amendments to SFRS(I) 1-1 and SFRS(I) 1-8 *Definition of Material*

The amendments include clarifications to the definition of 'material' and the related guidance:

- the threshold of 'could influence' has been replaced with 'could reasonably be expected to influence';
- the term of 'obscuring information' has been included in the definition of 'material' to incorporate the existing concept in SFRS(I) 1-1 and examples have been provided of circumstances that may result in information being obscured; and
- the scope of 'users' has been clarified to mean the primary users of general purpose financial statements and their characteristics have been defined.

The amendments are to be applied prospectively and are effective for annual periods beginning on or after 1 January 2020.

Amendments to SFRS(I) 9, SFRS(I) 1-39 and SFRS(I) 7 *Interest Rate Benchmark Reform*

The amendments provide temporary relief from applying specific hedge accounting requirements to hedging relationships that are directly affected by the global reform initiative with respect to the inter-bank offered rate ("IBOR"). The reliefs have the effect that the IBOR reform should not generally cause hedge accounting to terminate. The amendments modify specific hedge accounting requirements to allow hedge accounting to continue for affected hedges during the period of uncertainty before the hedged items or hedging instruments affected by the current interest rate benchmarks are amended as a result of the ongoing IBOR reform.

Any hedge ineffectiveness continues to be recorded in the income statement. The reliefs will cease to apply when the uncertainties arising from the IBOR reform are no longer present. The amendments also introduce new disclosure requirements in SFRS(I) 7 for hedging relationships that are subject to the exceptions introduced by the amendments to SFRS(I) 9 and SFRS(I) 1-39. The amendments are mandatory for all hedges within scope and are to be applied retrospectively for annual reporting periods beginning on or after 1 January 2020.

Revised Conceptual Framework for Financial Reporting

The purpose of the *Conceptual Framework* is to assist in developing financial reporting standards. The *Conceptual Framework* is not a standard itself and none of the concepts contained therein override the requirements in any standard. The main changes to the *Conceptual Framework*'s principles have implications for how and when assets and liabilities are recognised and derecognised in the financial statements. These revisions affect those entities which had developed their accounting policies based on the *Conceptual Framework* in the absence of specific SFRS(I) requirements. In such cases, the entities shall review those policies and apply the new guidance retrospectively for annual periods beginning on or after 1 January 2020.

Some SFRS(I), their accompanying documents and SFRS(I) practice statements contain references to, or quotations from the *Conceptual Framework*. The *Amendments to References to the Conceptual Framework in SFRS(I)*, issued together with the revised *Conceptual Framework*, sets out updates to SFRS(I), their accompanying documents and SFRS(I) practice statements to reflect the issue of the revised *Conceptual Framework*. These amendments are effective for annual periods beginning on or after 1 January 2020.

2(B) ADOPTION OF NEW AND REVISED SFRS(I) EFFECTIVE FOR THE CURRENT FINANCIAL YEAR (CONTINUED)

Amendments to SFRS(I) 16 *COVID-19 Related Rent Concessions*

The amendments provide relief to lessees from applying SFRS(I) 16 guidance on lease modification accounting for rent concessions arising as a direct consequence of the Coronavirus Disease 2019 ("COVID-19") pandemic. As a practical expedient, a lessee may elect not to assess whether a COVID-19 related rent concession from a lessor is a lease modification. A lessee that makes this election accounts for any change in lease payments resulting from the COVID-19 related rent concession the same way it would account for the change under SFRS(I) 16 if the change were not a lease modification. The amendments are applicable on a modified retrospective basis for annual reporting periods beginning on or after 1 June 2020. Early application is permitted.

The adoption of the above amendments to SFRS(I) does not have a material impact to the Group's and the Company's financial statements on initial application.

2(C) NEW AND REVISED SFRS(I) IN ISSUE BUT NOT YET EFFECTIVE

At the date of authorisation of these financial statements, the Group and the Company have not adopted the new and revised SFRS(I), SFRS(I) INT and amendments to SFRS(I) that have been issued but are not yet effective to them. Management anticipates that the adoption of these new and revised SFRS(I) pronouncements in future periods will not have a material impact on the Group's and the Company's financial statements in the period of their initial application:

Reference	Description	Effective date (Annual periods beginning on or after)
Amendments to SFRS(1) 9, SFRS(1) 1-39, SFRS(1) 7, SFRS(1) 4 and SFRS(1) 16	*Interest Rate Benchmark Reform – Phase 2*	1 January 2021
Amendments to SFRS(I) 3	*Reference to the Conceptual Framework*	1 January 2022
Amendments to SFRS(I) 1-16	*Property, Plant and Equipment – Proceeds before Intended Use*	1 January 2022
Amendments to SFRS(1) 1-37	*Onerous Contracts – Cost of Fulfilling a Contract*	1 January 2022
Annual Improvements to SFRS(I)s 2018–2020:		
Amendments to SFRS(I) 1	*Subsidiary as a First-time Adopter*	1 January 2022
Amendments to SFRS(I) 9	*Fees in the '10 per cent' Test for Derecognition of Financial Liabilities*	1 January 2022
Amendments to SFRS(I) 16	*Lease Incentives*	1 January 2022
Amendments to SFRS(I) 1-41	*Taxation in Fair Value Measurements*	1 January 2022
Amendments to SFRS(I) 1-1	*Classification of Liabilities as Current or Non-current*	1 January 2023

2(C) NEW AND REVISED SFRS(I) IN ISSUE BUT NOT YET EFFECTIVE (CONTINUED)

Amendments to SFRS(1) 9, SFRS(1) 1-39, SFRS(1) 7, SFRS(1) 4 and SFRS(1) 16 *Interest Rate Benchmark Reform – Phase 2*

The amendments address issues that might affect financial reporting after the reform of an interest rate benchmark, including its replacement with alternative benchmark rates. The changes relate to the modification of financial assets, financial liabilities and lease liabilities, specific hedge accounting requirements, and disclosure requirements applying SFRS(I) 7 to accompany the amendments regarding modifications and hedge accounting.

On modification of financial assets, financial liabilities and lease liabilities, a practical expedient is available to allow for modifications required by the IBOR reform as a direct consequence and made on an economically equivalent basis to be accounted for by updating the effective interest rate prospectively. All other modifications are accounted for using current SFRS(I) requirements. A similar practical expedient is provided for lessee accounting applying SFRS(I) 16. SFRS(I) 4 is also amended to require insurers that apply the temporary exemption from SFRS(I) 9 to apply the amendments in accounting for modifications directly required by the reform.

On hedge accounting, certain amendments are made to generally permit hedge accounting continuation solely because of the IBOR reform provided that the amended hedging relationships meet all the qualifying criteria to apply hedge accounting including effectiveness requirements. The amendments enable entities to amend the formal designation and documentation of a hedging relationship to reflect changes required by the IBOR reform without discontinuing the hedging relationship or designating a new hedging relationship. Permitted changes include designating an alternative benchmark rate (contractually or non-contractually specified) as a hedged risk, amending the description of the hedged item, including the description of the designated portion of the cash flows or fair value being hedged, or amending the description of the hedging instrument to refer to an alternative benchmark rate, and for those applying SFRS(I) 1-39, amending the description of how the entity shall assess hedge effectiveness.

Amendments to SFRS(I) 7 outline disclosure requirements to allow users to understand the nature and extend of risks arising from the IBOR reform to which the entity is exposed to and how the entity manages those risks as well as the entity's progress in transitioning from IBOR to alternative benchmark rates, and how the entity managing this transition.

The amendments are effective for annual periods beginning on or after 1 January 2021 with early application permitted. The amendments apply retrospectively but provide relief from restating comparative information. An entity may restate prior period figures if, and only if, it is possible to do so without the use of hindsight.

It is currently impracticable to disclose any further information on the known or reasonably estimable impact to the Group's and the Company's financial statements in the period of initial application.

Amendments to SFRS(I) 3 Reference to the Conceptual Framework

The amendments update SFRS(I) 3 so that it refers to the 2018 Conceptual Framework instead of the 1989 Conceptual Framework. According to the amendments, for obligations within the scope of SFRS(I) 1-37, the acquirer shall apply SFRS(I) 1-37 to determine whether a present obligation exists at the acquisition date as a result of past events, and for a levy within the scope of SFRS(I) INT 21 Levies, the acquirer shall apply SFRS(I) INT 21 to determine whether the obligating event giving rise to a liability to pay the levy has occurred by the acquisition date. The amendments also add an explicit statement that an acquirer shall not recognise contingent assets acquired in a business combination.

The amendments are effective for business combinations for which the date of acquisition is on or after the beginning of the first annual period beginning on or after 1 January 2022. Early application is permitted if the entity also applies all other updated references (published together with the updated Conceptual Framework) at the same time or earlier.

There is no material impact expected to the Group's and the Company's financial statements on initial application.

2(C) NEW AND REVISED SFRS(I) IN ISSUE BUT NOT YET EFFECTIVE (CONTINUED)

Amendments to SFRS(I) 1-16 *Property, Plant and Equipment – Proceeds before Intended Use*

The amendments prohibit deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced before that asset is available for use, i.e. proceeds while bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. An entity shall recognise such sales proceeds and related costs in profit or loss and measure the cost of those items in accordance with SFRS(I) 1-2 *Inventories*.

The amendments also clarify the meaning of 'testing whether an asset is functioning properly' and specify this as assessing whether the technical and physical performance of the asset is such that it is capable of being used in the production or supply of goods or services, for rental to others, or for administrative purposes.

The amendments are effective for annual periods beginning on or after 1 January 2022, with early application permitted. The amendments are applied retrospectively, but only to items of property, plant and equipment that are brought to the location and condition necessary for them to be capable of operating in the manner intended by management on or after the beginning of the earliest period presented in the financial statements in which the entity first applies the amendments. The entity shall recognise the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings (or other component of equity, as appropriate) at the beginning of that earliest period presented.

There is no material impact expected to the Group's and the Company's financial statements on initial application.

Amendments to SFRS(1) 1-37 *Onerous Contracts – Cost of Fulfilling a Contract*

The amendments specify that the "cost of fulfilling" a contract comprises the "costs that relate directly to the contract". Cost that relate directly to a contract consist of both the incremental costs of fulfilling that contract (e.g. direct labour or materials) and an allocation of other costs that relate directly to fulfilling contracts (e.g. depreciation charge for an item of property, plant and equipment used in fulfilling the contract).

The amendments are effective for annual periods beginning on or after 1 January 2022, with early application permitted. The amendments apply to contracts for which the entity has not yet fulfilled all its obligations at the beginning of the annual reporting period in which the entity first applies the amendments. Comparatives are not restated. Instead, the entity shall recognise the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings (or other component of equity, as appropriate) at the date of initial application.

There is no material impact expected to the Group's and the Company's financial statements on initial application.

Annual Improvements to SFRS(I)s 2018–2020
The annual improvements include amendments to the following SFRS(I):

(i) Amendments to SFRS(I) 1 *Subsidiary as a First-time Adopter*

The amendments provide additional exemption relief to a subsidiary which becomes a first-time adopter of SFRS(I) later than its parent in respect of accounting for cumulative translation differences. As a result of the amendments, a subsidiary that uses the exemption can now also elect to measure cumulative translation differences for all foreign operations at the carrying amount that would be included in the parent's consolidated financial statements, based on the parent's date of transition to SFRS(I), if no adjustments were made for consolidation procedures and the effects of the business combination in which the parent acquired the subsidiary. A similar election is available to an associate or joint venture that uses the exemption. The amendments are effective for annual periods beginning on or after 1 January 2022, with early application permitted.

2(C) NEW AND REVISED SFRS(I) IN ISSUE BUT NOT YET EFFECTIVE (CONTINUED)

Annual Improvements to SFRS(I)s 2018–2020 (Continued)

(ii) Amendments to SFRS(I) 9 *Fees in the '10 per cent' Test for Derecognition of Financial Liabilities*

The amendments clarify that in applying the '10 per cent' test to assess whether to derecognise a financial liability, an entity shall include only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other's behalf. The amendments are applied prospectively to modifications and exchanges that occur on or after the date the entity first applies the amendments. The amendments are effective for annual periods beginning on or after 1 January 2022, with early application permitted.

(iii) Amendments to SFRS(I) 16 *Lease Incentives*

The amendments remove the illustration of the reimbursement of leasehold improvements. As the amendments are only with regards to an illustrative example, no effective date is stated.

(iv) Amendments to SFRS(I) 1-41 *Taxation in Fair Value Measurements*

The amendments remove the requirement for entities to exclude cash flows for taxation when measuring fair value. This aligns the fair value measurement in SFRS(I) 1-41 with the requirements of SFRS(I) 13 *Fair Value Measurement* to use internally consistent cash flows and discount rates and enables preparers to determine whether to use pre-tax or post-tax cash flows and discount rates for the most appropriate fair value measurement. The amendments are applied prospectively, i.e., for fair value measurements on or after the date an entity initially applies the amendments. The amendments are effective for annual periods beginning on or after 1 January 2022, with early application permitted.

In respect of the above annual improvements to SFRS(I), there is no material impact expected to the Group's and Company's financial statements on initial application.

Amendments to SFRS(I) 1-1 *Classification of Liabilities as Current or Non-current*

The amendments affect only the presentation of liabilities as current or non-current in the statement of financial position and not the amount or timing of recognition of any asset, liability, income or expenses, or the information disclosed about those items.

The amendments clarify that the classification of liabilities as current or non-current is based on the rights that are in existence at the end of the reporting period, specify that classification is unaffected by expectations about whether an entity will exercise the right to defer settlement of a liability, explain that rights are in existence if covenants are complied with at the end of the reporting period, and introduce a definition of 'settlement' to make clear that settlement refers to the transfer of cash, equity instruments, other assets or services to the counterparty.

The amendments are applied retrospectively for annual periods beginning on or after 1 January 2023, with early application permitted.

There is no material impact expected to the Group's and Company's financial statements on initial application.

2(D) SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of the financial statements in conformity with SFRS(I) requires the use of judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Although these estimates are based on management's best knowledge of current events and actions, actual results may differ from those estimates.

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 and in any future periods affected.

Significant judgements made and assumptions used in applying accounting policies

The critical accounting estimates and assumptions used and areas involving a significant degree of judgement are described below.

Construction contracts
The Group recognises revenue from construction contracts by reference to the Group's progress towards completing the performance obligation in the contract with its customers. Significant judgement is required in determining the stage of completion by reference to the contract costs incurred to date in proportion to the total estimated contract costs for each construction contract.

Management has determined that a cost-based input method for these services provides a faithful depiction of the Group's performance in transferring control of the services promised to the customers, as it reflects the Group's efforts incurred to date relative to the total inputs expected to be incurred for the contract. The measure of progress is based on the costs incurred to date as a proportion of total costs expected to be incurred up to the completion of the performance obligation within the contract.

The estimated total contract costs are based on contracted amounts and, in respect of amounts not contracted for, management relies on past experience and knowledge of the project managers and quantity surveyors to make estimates of the amounts to be incurred.

Contract revenue comprises the initial amount of revenue agreed in the contract and variations in contract work to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur.

Income taxes
The Group has exposure to income taxes in Singapore and Malaysia. Significant judgement is involved in determining the group-wide provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for expected tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

Deferred taxation on investment properties
For the purposes of measuring deferred taxation arising from investment properties that are measured using the fair value model, management has reviewed the Group's investment property portfolios and concluded that the Group's investment properties are not held under the business model whose objective is to consume substantially all of the economic benefits embodied in the investment properties over time. Instead, the investment properties are recovered through sale. Therefore, in determining the Group's deferred taxation on investment properties, management determined that the presumption that the carrying amounts of investment properties measured using the fair value model are recovered entirely through sale is not rebutted. As a result, the Group has not recognised any deferred taxation on the changes in fair value of investment properties held in Singapore as the Group is not subject to any income taxes on the fair value changes of the investment properties upon disposal.

2(D) SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS (CONTINUED)

Critical accounting estimates and assumptions used in applying accounting policies

Impairment of investments in subsidiaries
The Company assesses at the end of each reporting period whether there is any indication that the investments in subsidiaries may be impaired or that impairment losses recognised in prior periods may no longer exist or may have decreased. If any indication exists, the investment in subsidiary is tested for impairment. The determination of the recoverable amount requires an estimation of the fair value less costs of disposal of the underlying assets or the value in use of the cash-generating units. Estimating the fair value less costs of disposal requires the Company to make an estimate of the expected selling prices or realisable amounts of the underlying assets and the estimated cash outflows to settle the obligations in respect of the underlying liabilities. Estimating the value in use requires the Company to make an estimate of the expected future cash flows from the cash-generating units, a suitable growth rate to extrapolate the future cash flows, and an appropriate discount rate in order to calculate the present value of the future cash flows. The carrying amount of the Company's investments in subsidiaries at the end of the reporting period, and the basis used to determine fair value less costs of disposal as the recoverable amount, are disclosed in Note 3 to the financial statements. If the recoverable amount of the investment in subsidiaries decrease/increase by 10% from management's estimates, there would not be any material impact to the Group's allowance for impairment of investment in subsidiaries (2020: increase/decrease by S$17,124).

The carrying amount of the Company's investments in subsidiaries is disclosed in Note 3.

Management has evaluated the recoverability of these investments and had recognised an additional impairment loss of $100,000 (2020 - $300,000) in its subsidiaries. The recoverable amount is determined based on fair value less cost to sell as disclosed in Note 3.

Impairment of amounts due from subsidiaries
The Company held non-trade receivables due from its subsidiaries of $5,662,000 (2020 - $5,704,000) as at the end of the reporting period. The impairment of the amounts due from its subsidiaries are based on the expected loss model using general approach which considers the availability of highly accessible liquid assets of the subsidiaries to repay these amounts if demanded repayment at the end of the reporting period. As a result of management's assessment, an additional expected credit losses of $1,377,000 (2020 - $1,300,000) was recognised.

The carrying amount of the Company's amounts due from subsidiaries is disclosed in Note 11.

Impairment of property, plant and equipment and right-of-use assets
Property, plant and equipment and right-of-use assets are evaluated at the end of each reporting period to assess whether there is any indication of impairment or that an impairment loss recognised in prior periods no longer exists or may have decreased. If any such indication exists, the recoverable amounts of the assets are estimated to determine the extent of the impairment loss, if any. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. Such impairment loss is recognised in profit or loss.

Significant judgement and estimates by management are required in the area of asset impairment, particularly in assessing: (i) whether an event has occurred that may indicate that the related asset values may not be recoverable; (ii) whether the carrying value of an asset can be supported by its market value based on comparable assets or the net present value of future cash flows which are estimated based on the continued use of the asset in the business; and (iii) the appropriate valuation techniques and inputs used in fair value measurement and the key assumptions to be applied in preparing cash flow projections including whether these cash flow projections are extrapolated using a suitable growth rate and then discounted using an appropriate discount rate. Changing the assumptions selected by management to determine the level of impairment could materially affect the recoverable amount determined in the impairment test and as a result may potentially affect the Group's results.

2(D) SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS (CONTINUED)

Critical accounting estimates and assumptions used in applying accounting policies (Continued)

Impairment of property, plant and equipment and right-of-use assets (Continued)
A 5% (2020 - 5%) reduction in the recoverable amount of the assets would not result in any impairment since the estimated recoverable amount is still higher than its carrying value. The carrying amount of the Group's property, plant and equipment and right-of-use assets at the end of the reporting period and the basis used to determine fair value less costs of disposal are disclosed in Note 5 to the financial statements.

Valuation of investment properties
Investment properties are stated at fair value based on independent professional valuers. In determining the fair value, the valuers have used valuation techniques including direct comparison method as disclosed in Note 6.

The direct comparison method involves the analysis of comparable sales of similar properties and adjusting prices to those reflective of the investment properties.

The estimated fair value may differ from the price at which the Group's assets could be sold at a particular time, since actual selling prices are negotiated between willing buyers and sellers.

A 5% (2020 - 5%) change in the fair value of these assets from management's estimates would result in approximately increase/decrease of $877,000 (2020 - $892,000) in the Group's profit or loss for the financial year. The fair values of the Group's investment properties are disclosed in Note 6.

Completed properties for sale
Completed properties for sale are stated at lower of cost and estimated net realisable value. When it is probable that the total development costs will exceed the total projected revenue, the amount in excess of net realisable value is recognised as an expense immediately.

The process of evaluating the net realisable value of the properties is subject to assumptions in respect of development plans, timing of sale and the prevailing market conditions. The Group estimated selling prices by comparing these with transacted prices of comparable properties in the vicinity or against valuation performed by independent professional valuers.

A 5% (2020 - 5%) reduction in the estimated selling prices of the properties from management's estimated selling prices would result in approximately a decrease of $312,000 (2020 - $336,000) to the estimated net realisable value of the Group's completed properties for sale. However, this will not result in any impairment since the estimated net realisable value would still be higher than the carrying amount of the properties as at the end of the reporting period.

The carrying amount of the Group's completed properties for sale is disclosed in Note 10.

2(D) SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS (CONTINUED)

Critical accounting estimates and assumptions used in applying accounting policies (Continued)

Impairment of contract assets and trade receivables
The Group uses a provision matrix to calculate expected credit loss ("ECLs") for trade receivables and contract assets. The provision rates are based on days past due for groupings of customer with similar credit risk pattern. The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust historical credit loss experience with forward-looking information. For instance, if forecast of economic conditions are expected to deteriorate over the next year which can lead to an increased number of defaults in the construction sector, the historical default rates are adjusted. At the end of each reporting period, historical default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast of economic conditions and ECLs is an estimate. The amount of ECLs is sensitive to changes in circumstances and forecast of economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future. The information about the ECLs on the Group's trade receivables and contract assets is disclosed in Note 36.3.

At the reporting date, the Group has recognised a reversal of allowance for ECL on contract assets and trade receivables of $247,000 (2020: additional allowance for ECL of $619,000) and $207,000 (2020: additional allowance for ECL of $355,000), respectively.

If the loss allowance provision increase/decrease by 5% from management's estimates, the Group's allowance for ECL on contract assets and trade receivables will increase/decrease by S$26,000 (2020: S$49,000). The carrying amount of the Group's and the Company's contract assets and trade receivables are disclosed in Notes 9 and 11, respectively.

2(E) SIGNIFICANT ACCOUNTING POLICIES

Consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at the end of the reporting period. The financial statements of the subsidiaries used in the preparation of the consolidated financial statements are prepared for the same reporting period as the Company. Consistent accounting policies are applied to like transactions and events in similar circumstances.

All intra-group balances, income and expenses and unrealised gains and losses resulting from intra-group transactions and dividends are eliminated in full.

Subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control and continue to be consolidated until the date that such control ceases.

Losses and other comprehensive income are attributable to the non-controlling interest even if that results in a deficit balance.

2(E) SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Consolidation (Continued)

A change in the ownership interest of a subsidiary without a loss of control is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- de-recognises the assets (including goodwill) and liabilities of the subsidiary at their carrying amounts as at that date when control is lost;
- de-recognises the carrying amount of any non-controlling interest;
- de-recognises the cumulative translation differences recorded in equity;
- recognises the fair value of the consideration received;
- recognises the fair value of any investment retained;
- recognises any surplus or deficit in profit or loss;
- re-classifies the Group's share of components previously recognised in other comprehensive income to profit or loss or retained profits, as appropriate.

A subsidiary is an investee that is controlled by the Group. The Group controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Thus, the Group controls an investee if, and only if, the Group has all of the following:

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

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

When the Group 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 Group considers all relevant facts and circumstances in assessing whether or not the Group's voting rights in an investee are sufficient to give it power, including:

- the size of the Group's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Group, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Group 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.

2(E) SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Consolidation (Continued)

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

Transactions with non-controlling interest
Non-controlling interest represents the equity in subsidiary not attributable, directly or indirectly, to owners of the Company, and are presented separately in the consolidated statement of profit or loss and other comprehensive income and within equity in the consolidated statement of financial position, separately from equity attributable to owner of the parent. Changes in the Group's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. In such circumstances, the carrying amounts of the Group's interests and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owner of the parent.

Acquisitions
The acquisition method of accounting is used to account for business combinations entered into by the Group. The consideration transferred for the acquisition of a subsidiary or business comprises the fair value of the assets transferred, the liabilities incurred, and the equity interests issued by the Group.

The consideration transferred also includes any contingent consideration arrangement and any pre-existing equity interest in the subsidiary measured at the fair values at the acquisition date. Acquisition-related costs are expensed as incurred.

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

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

The excess of (a) the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition date fair value of any previous equity interest in the acquiree over the (b) fair value of the identifiable net assets acquired is recorded as goodwill. When the excess is negative, a bargain purchase gain is recognised directly in profit or loss.

2(E) SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Investment in subsidiaries

In the Company's separate financial statements, investments in subsidiaries are stated at cost less allowance for any impairment losses on an individual subsidiary basis.

Joint venture

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement.

The results and assets and liabilities of joint venture are incorporated in these consolidated financial statements using the equity method of accounting, except when the investment, or a portion thereof, is classified as held for sale, in which case it is accounted for in accordance with SFRS(I) 5. Under the equity method, an investment in a joint venture is initially recognised in the consolidated statement of financial position at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the joint venture. When the Group's share of losses of a joint venture exceeds the Group's interest in that joint venture (which includes any long-term interests that, in substance, form part of the Group's net investment in the joint venture), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the joint venture.

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

The requirements of SFRS(I) 1-28 are applied to determine whether it is necessary to recognise any impairment loss with respect to the Group's investment in a joint venture. When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with SFRS(I) 1-36 *Impairment of Assets* as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs to sell) with its carrying amount. Any impairment loss recognised decreases the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with SFRS(I) 1-36 to the extent that the recoverable amount of the investment subsequently increases.

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

In the Company's separate financial statements, investments in joint ventures are carried at cost less any impairment in net recoverable value that has been recognised in profit or loss. On disposal of such investments, the difference between disposal proceeds and the carrying amounts of the investments are recognised in profit or loss.

2(E) SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property, plant and equipment and depreciation

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses, if any. Depreciation is calculated using the straight-line method to allocate their depreciable amount over their useful lives as follows:

Leasehold buildings	Over remaining lease period
Plant and machinery	5 years
Office equipment, furniture and fittings and computers	1-5 years
Motor vehicles	5-10 years
Renovation	5 years

Assets under construction 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 assets, commences when the assets are ready for their intended use.

The cost of property, plant and equipment includes expenditure that is directly attributable to the acquisition of the items. Dismantlement, removal or restoration costs are included as part of the cost of property, plant and equipment if the obligation for dismantlement, removal or restoration is incurred as a consequence of acquiring or using the asset.

Subsequent expenditure relating to property, plant and equipment that have been recognised is added to the carrying amount of the asset when it is probable that future economic benefits in excess of the standard of performance of the asset before the expenditure was made will flow to the Group and the cost can be reliably measured. Other subsequent expenditure is recognised as an expense during the financial year in which it is incurred.

Depreciation methods, useful lives and residual values are reviewed, and adjusted as appropriate, at each reporting period as a change in estimates.

Investment properties

Investment properties are properties held to earn rental and/or for capital appreciation.

Investment properties are initially recognised at cost and subsequently carried at fair value. Gains or losses arising from changes in the fair value of investment properties are included in profit or loss for the period in which they arise.

Investment properties are subject to renovations or improvements at regular intervals. The cost of major renovations and improvements are capitalised as addition and the carrying amounts of the replaced components are written off to profit or loss. The cost of maintenance, repairs and minor improvements are charged to profit or loss when incurred.

Investment properties are derecognised when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. On disposal or retirement of an investment property, the difference between any disposal proceeds and the carrying amount is recognised in profit or loss.

Transfers are made to investment property when, and only when, there is a change in use, evidenced by ending of owner-occupation or commencement of an operating lease to another party. Transfers are made from investment property when, and only when, there is a change in use, evidenced by the commencement of owner occupation or commencement of development with a view to sell.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021

2(E) SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Completed properties for sale

Completed properties for sale but remaining unsold at the end of the reporting period are stated at lower of cost and net realisable value. Cost is determined by apportionment of the total land cost, development costs and borrowing costs capitalised attributable to unsold properties. Net realisable value takes into account the price ultimately expected to be realised, less costs to be incurred in marketing and selling, where appropriate.

Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

Initial recognition and measurement
Trade receivables are initially recognised when they are originated. All other financial assets are recognised only when the Group becomes a party to the contractual provisions of the instruments.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially measures a financial asset at its fair value plus, in the case of financial asset not at fair value through profit or loss, transaction costs. Trade receivables are measured at the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third party if the trade receivables do not contain a significant financing component at initial recognition.

In order for a financial asset to be classified and measured at amortised cost, it needs to give rise to cash flows that are solely payments of principal and interest ("SPPI") on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Purchase or sale of financial assets that required delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e. the date that the Group commits to purchase or sell the asset.

Subsequent measurement

The Group classifies its financial assets in the following measurement category:
- amortised cost

2(E) SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instruments (Continued)

Financial assets (Continued)

Financial assets at amortised cost (debt instruments)

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

Subsequent measurement of debt instruments depends on the Group's business model with the objective to hold financial assets in order to collect contractual cash flows and the contractual cash terms of the financial asset give rise on specific dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The Group's financial assets at amortised cost includes trade and other receivables, staff advances, deposits, cash and bank balances.

Derecognition

A financial asset (or, where applicable, part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Group's consolidated statement of financial position) when:

- The rights to receive cash flows from the asset have expired; or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

2(E) SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets and contract assets
The Group assesses on a forward-looking basis the ECLs associated with its financial assets carried at amortised cost and contract assets. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

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

For contract assets and trade receivables, the Group measures the loss allowance at an amount equal to the lifetime expected credit losses. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at the end of each reporting period. The Group has established an allowance matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The Group considers a financial asset in default when contractual payments are 90 days due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Financial liabilities

Initial recognition and measurement
Financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the financial instrument. All financial liabilities are initially measured at fair value less directly attributable transaction costs.

The Group's financial liabilities include trade and other payables, deposits, accrued operating expenses, lease liabilities and borrowings.

Subsequent measurement for financial liabilities that are not carried at fair value through profit or loss
After initial recognition, financial liabilities that are not carried at fair value through profit or loss are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss.

Derecognition
The Group derecognises a financial liability when its contractual obligations are discharged or cancelled or expire. The Group also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

2(E) SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instruments (Continued)

Financial liabilities (Continued)

Financial guarantee
A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the terms of a debt instrument. Financial guarantees are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee.

Subsequent to initial recognition, financial guarantees are measured at the higher of the amount of the loss allowance determined in accordance with the impairment model under *SFRS(I)9 Financial Instruments* and the amount initially recognised less, when appropriate, the cumulative amount of income recognised.

Offsetting of financial instruments
Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

Contract assets and liabilities

Contract assets primarily relate to the Group's rights to consideration for work completed but not billed at the end of the reporting period on construction contracts. Contract assets are transferred to trade receivables when the rights become unconditional. This usually occurs when the Group invoices the customer.

Contract liabilities primarily relate to:
- advance consideration received from customers; and
- progress billings issued in excess of the Group's rights to the consideration.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined on a first-in, first-out basis, and includes all costs in bringing the inventories to their present location and condition.

Allowance is made for obsolete, slow-moving and defective inventories in arriving at the net realisable value.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs necessary to make the sale.

Cash and bank balances

Cash and bank balances in the consolidated statement of cash flows comprise cash balances and bank deposits. Bank overdrafts are included within borrowings in current liabilities in the statement of financial position. For the purposes of the consolidated statement of cash flows, bank overdrafts that are repayable on demand and that form an integral part of the Group's cash management are included in cash and cash equivalents.

Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new ordinary shares are deducted against the share capital account.

2(E) SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Dividends

Final dividends proposed by the directors are not accounted for in shareholders' equity as an appropriation of retained profits, until they have been approved by the shareholders in a general meeting. When these dividends have been approved by the shareholders and declared, they are recognised as a liability.

Interim dividends are simultaneously proposed and declared, because the articles of association of the Company grant the directors the authority to declare interim dividend. Consequently, interim dividends are recognised directly as a liability when they are proposed and declared.

Provision

A provision is recognised when the Company and the Group have a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Present obligations arising from onerous contracts are recognised as provisions.

The directors review the provision annually and where in their opinion, the provision is inadequate or excessive, due adjustment is made.

If the effect of the time value of money is material, provision is discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of the time is recognised as finance costs.

Leases

(i) the Group as lessee

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

(a) Lease liability

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

2(E) SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Leases (Continued)

(i) the Group as lessee (Continued)

(a) Lease liability (Continued)

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

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

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

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

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

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

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

- the lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate;
- the lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which case the lease liability is remeasured by discounting the revised lease payments using the initial discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used); or
- a lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

2(E) SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Leases (Continued)

(i) the Group as lessee (Continued)

(b) Right-of-use asset

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

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

Depreciation on right-of-use assets is calculated using the straight-line method to allocate their depreciable amounts over the shorter period of lease term and useful life of the underlying asset, as follows:

Land use for leasehold properties	Over remaining lease period
Motor vehicles	10 years

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

The right-of-use assets are presented within "property, plant and equipment" in the statement of financial position.

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

(ii) the Group as lessor

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

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

At inception or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices. If an arrangement contains lease and non-lease components, then the Group applies SFRS(I) 15 to allocate the consideration in the contract.

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

2(E) SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Income taxes

Current income tax for current and prior periods is recognised at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the end of reporting period.

Deferred tax is recognised for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction.

A deferred tax liability is recognised on temporary differences arising on investments in subsidiaries, except where the Group is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

A deferred tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised.

Deferred income tax is measured:

(i) at the tax rates that are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period; and

(ii) based on the tax consequence that will follow from the manner in which the Group expects, at the date of the financial position, to recover or settle the carrying amounts of its assets and liabilities except for investment properties measured using the fair value model. For the purposes of measuring deferred tax liabilities and deferred tax assets for investment properties that are measured using the fair value model, the carrying amounts of such properties are presumed to be recovered through sale, unless the presumption is rebutted. The presumption is rebutted when the investment property is depreciable and is held within a business model of the Group whose business objective is to consume substantially all of the economic benefits embodied in the investment property over time, rather than through sale. The Group has not rebutted the presumption that the carrying amount of the investment properties will be recovered entirely through sale.

Current and deferred taxes are recognised as income or expense in the profit or loss, except to the extent that the tax arises from a business combination or a transaction which is recognised either in other comprehensive income or directly in equity. Deferred tax arising from a business combination is adjusted against goodwill on acquisition.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets and they relate to income taxes levied by the same tax authorities on the same taxable entity, or on different tax entities, provided they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

2(E) SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Employee benefits

Short-term employee benefits
Short-term benefit obligations, including accumulated compensated absences, are measured on an undiscounted basis and are expensed as the related service is provided. A provision is recognised for the amount expected to be paid under short-term cash bonuses if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Defined contribution plans
The Company and the Group participate in the defined contribution national pension schemes as provided by the laws of the countries in which it has operations. In particular, the Singapore incorporated companies in the Group contribute to the Central Provident Fund, a defined contribution plan regulated and managed by the Government of Singapore, which applies to the majority of the employees. The contributions to national pension schemes are charged to the profit or loss in the period to which the contributions relate.

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

Employee Share Option Scheme
The Group issues equity-settled share-based payments to certain employees. Equity settled share- based payments are measured at fair value of the equity instruments at the date of grant. The fair value of the employee services received in exchange for the grant of options is recognised as an expense in profit or loss with a corresponding increase in the share option reserve over the vesting period. The total amount to be recognised over the vesting period is determined by reference to the fair value of the options granted on the date of the grant.

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

Key management personnel
Key management personnel are those persons having the authority and responsibility for planning, directing and controlling the activities of the entity. Directors are considered key management personnel.

2(E) SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Related parties

A related party is defined as follows:

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

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

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

- (i) the entity and the Company are members of the same group (which means that each parent, subsidiary corporation and fellow subsidiary corporation is related to the others);
- (ii) one entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member);
- (iii) both entities are joint ventures of the same third party;
- (iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;
- (v) the entity is a post-employment benefit plan for the benefit of employees of either the Company or an entity related to the Company. If the Company is itself such a plan, the sponsoring employers are also related to the Company;
- (vi) the entity is controlled or jointly controlled by a person identified in (a);
- (vii) a person identified in (a) (i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity); or
- (viii) the entity, or any member of a group which is a part, provides key management personnel services to the reporting entity or to the parent of the reporting entity.

Impairment of non-financial assets

The carrying amounts of the Company's and the Group's non-financial assets subject to impairment are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated.

If it is not possible to estimate the recoverable amount of the individual asset, then the recoverable amount of the cash-generating unit to which the assets belong will be identified.

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). As a result, some assets are tested individually for impairment and some are tested at cash-generating unit level. Goodwill is allocated to those cash-generating units that are expected to benefit from synergies of the related business combination and represent the lowest level within the Group at which management controls the related cash flows.

Individual assets or cash-generating units that include goodwill and other intangible assets with an indefinite useful life or those not available for use are tested for impairment at least annually. All other individual assets or cash-generating units are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

2(E) SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Impairment of non-financial assets (Continued)

An impairment loss is recognised for the amount by which the asset's or cash-generating unit's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of fair value, reflecting market conditions less costs to sell and value-in-use, based on an internal discounted cash flow evaluation. Impairment losses recognised for cash-generating units, to which goodwill has been allocated, are credited initially to the carrying amount of goodwill. Any remaining impairment loss is charged pro-rata to the other assets in the cash-generating unit. With the exception of goodwill, all assets are subsequently reassessed for indications that an impairment loss previously recognised may no longer exist.

Any impairment loss is charged to profit or loss unless it reverses a previous revaluation in which case it is charged to equity.

With the exception of goodwill,

- An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount or when there is an indication that the impairment loss recognised for the asset no longer exists or decreases.
- An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined if no impairment loss had been recognised.
- A reversal of an impairment loss on a revalued asset is credited directly to equity under the heading revaluation surplus. However, to the extent that an impairment loss on the same revalued asset was previously recognised as an expense in the profit or loss, a reversal of that impairment loss is recognised as income in the profit or loss.

An impairment loss in respect of goodwill is not reversed, even if it relates to impairment loss recognised in an interim period that would have been reduced or avoided had the impairment assessment been made at a subsequent reporting or end of reporting period.

Functional currencies

Functional and presentation currency
Items included in the financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates ("functional currency"). The financial statements of the Company and the Group are presented in Singapore Dollars ("SGD"), which is also the functional currency of the Company.

Conversion of foreign currencies

Transactions and balances
Transactions in a currency other than the functional currency ("foreign currency") are translated into the functional currency using the exchange rates at the dates of the transactions. Currency translation differences resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the closing rates at the end of the reporting period are recognised in profit or loss. However, in the consolidated financial statements, currency translation differences arising from borrowings in foreign currencies and other currency instruments designated and qualifying as net investment hedges and net investment in foreign operations, are recognised in other comprehensive income and accumulated in the currency translation reserve.

2(E) SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Conversion of foreign currencies (Continued)

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

Foreign currency gains and losses are reported on a net basis as either other income or other expenses depending on whether foreign currency movements are in a net gain or net loss position.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the transactions. 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.

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

(i) assets and liabilities are translated at the closing exchange rates at the end of reporting period of that statement of financial position;
(ii) income and expenses for each statement presenting profit or loss and other comprehensive income (i.e. including comparatives) shall be translated at exchange rates at the dates of the transactions; and
(iii) all resulting currency translation differences are recognised in other comprehensive income and accumulated in the currency translation reserve.

Revenue from contracts with customers for construction works, building and maintenance, precast manufacturing and sales of completed properties for sale

The Group recognises revenue from contracts with customers based on a five-step model as set out in SFRS(I) 15 *Revenue from Contracts with Customers:*

Step 1 : Identify contract(s) with a customer: A contract is defined as an agreement between two or more parties which creates enforceable rights and obligations and sets out the criteria for every contract that must be met.

Step 2 : Identify performance obligations in the contract: A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.

Step 3 : Determine the transaction price: The transaction price is the amount of the consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Step 4 : Allocate the transaction price to the performance obligations in the contract: The transaction price is allocated to each performance obligation on the basis of the relative stand-alone selling prices of each distinct good or service promised in the contract.

Step 5 : Recognise revenue when (or as) the Group satisfies a performance obligation.

2(E) SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue from contracts with customers for construction works, building and maintenance, precast manufacturing and sales of completed properties for sale (Continued)

The Group satisfies a performance obligation and recognised revenue over time, if one of the following criteria is met:

(a) The Group's performance obligation does not create an asset with an alternate use to the Group and the Group has an enforceable right to payment for performance completed to date.

(b) The Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced.

(c) The customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs.

For performance obligations where one of the above conditions are not met, revenue is recognised at the point in time at which the performance obligation is satisfied.

When the Group satisfies a performance obligation by delivering the promised goods or services, it creates a contract-based asset on the amount of consideration earned by the performance. Where the amount of consideration received from a customer exceeds the amount of revenue recognised, this gives rise to a contract liability.

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

Nature of goods and services
The following is a description of principal activities – separated by reportable segments – from which the Group generates its revenue.

Revenue from construction works
Revenue from construction works is recognised over time as the Group's performance enhances a customer-controlled asset (i.e. asset constructed on premise that is owned by the customer and the Group has an enforceable right to payment for performance completed to date). The stage of completion is assessed by reference to the contract costs incurred to date in proportion to the total estimated contract costs of each contract.

Revenue from building and maintenance
Revenue from building and maintenance is recognised over time as these services are continuously transferred to the customers over the duration of the contracts.

Revenue from precast manufacturing
Revenue from sales of goods is recognised when control of the goods has been transferred to the customer, being when the goods have been delivered to the customer and all criteria for acceptance has been satisfied.

Rental income
The Group's policy for recognition of income from operating leases is recognised on a straight-line basis over the lease term.

2(E) SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue from contracts with customers for construction works, building and maintenance, precast manufacturing and sales of completed properties for sale (Continued)

Revenue from sales of completed properties for sale

Revenue from sales of completed properties for sale is recognised when control of the asset is transferred to the buyer, which may be:

(a) over time; or

(b) at a point in time.

Under (a), whereby the Group has an enforceable right to payment for performance completed to date and the Group's performance does not create an asset with alternative use to the Group, revenue is recognised over time based on the percentage of completion of construction. The percentage of completion is measured by reference to the construction costs incurred to date to the estimated total construction costs.

Under (b), whereby the Group has no enforceable right to payment until control has passed to the customer, revenue is recognised when the legal title has been transferred to the customer.

In determining whether revenue should be recognised over time or at a point in time, the Group evaluates and considers the terms and conditions of the sale of the properties.

Government grants

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate. Grants related to income are presented as a credit in profit or loss as "Other income".

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.

Operating segments

For management purposes, operating segments are organised based on their products and services which are independently managed by the respective segment managers responsible for the performance of the respective segments under their charge. The segment managers are directly accountable to the Chief Executive Officer who regularly reviews the segment results in order to allocate resources to the segments and to assess segment performance.

3 INVESTMENTS IN SUBSIDIARIES

The Company	30 June 2021 $'000	30 June 2020 $'000
Equity investments at cost		
At beginning and end of financial year	27,868	27,868
Impairment losses		
At beginning of financial year	(10,796)	(10,496)
Addition (Note a)	(100)	(300)
At end of financial year	(10,896)	(10,796)
Net carrying amount		
At end of financial year	16,972	17,072

Note a:

As at 30 June 2021, impairment test on the investments in subsidiaries were triggered due to the poor financial performance of the subsidiaries. Each subsidiary is identified as a specific cash-generating unit ("CGU"). Based on the recoverable amount of the investment in subsidiaries, determined based on the higher of fair value less costs to sell and value-in-use, the Company recognised an impairment loss of $100,000 (2020 - $300,000) on the investment in subsidiaries.

The recoverable amount is determined based on fair value less costs to sell, which is based on the revalued net assets of the subsidiaries. In deriving the revalued net assets of the subsidiaries, the fair values of the underlying assets are estimated based on their expected selling prices or realisable amounts, and the fair values of the underlying liabilities are based on the estimated cash outflows to settle the obligations. Management had considered the underlying assets and liabilities of the investees held by the subsidiaries, including the engagement of independent valuers to determine the fair values of the investment property and completed properties for sale located in Malaysia; and the fair values of investment property and leasehold buildings located in Singapore.

The fair value of the completed properties for sale has been estimated using the direct comparison method based on the recent selling prices of similar properties. The significant unobservable inputs used in the valuation included the transacted prices, timing of the transactions, location & accessibility, visibility & exposure, and age & condition of the comparable properties. Accordingly, the fair value measurement of the completed properties for sale is categorised as an unobservable level 3 input.

Details of the fair value measurement of the investment properties is disclosed in Note 6.

3 INVESTMENTS IN SUBSIDIARIES (CONTINUED)

The subsidiaries are:

Name	Country of incorporation/ Place of business	Proportion of ownership interest/ voting power 30 June 2021 %	Proportion of ownership interest/ voting power 30 June 2020 %	Principal activities
Held by the Company				
Logistics Construction Pte. Ltd. [(1)]	Singapore	100	100	General contractors (Building construction including major upgrading works)
Boldtek Projects Pte. Ltd. [(1)] (f.k.a Apex Projects Pte. Ltd.)	Singapore	100	100	General contractors (Building construction including major upgrading works) and landscape care and maintenance service activities
Boldtek Investment Pte. Ltd. [(1)]	Singapore	100	100	Investment holding
Held by Boldtek Investment Pte. Ltd.				
Le Premier Development Pte. Ltd. [(1)]	Singapore	100	100	Real estate developers
CCL Precast Pte. Ltd. [(1)]	Singapore	100	100	Manufacture of articles of cement, concrete and plaster
New Soil Technologies Pte. Ltd. [(1)]	Singapore	60	60	Soil investigation, treatment and stabilisation, research and experimental development on engineering
Le Premier Development Sdn. Bhd.[(2)]	Malaysia	100	100	Investment holding of land and property development
Held by CCL Precast Pte. Ltd.				
CCL Precast (M) Sdn. Bhd. [(2)]	Malaysia	100	100	Manufacture of articles of cement, concrete and plaster
Held by Logistics Construction Pte. Ltd.				
MSC Engineering Pte. Ltd.[(1)]	Singapore	100	100	General Contractors (Building construction including major upgrading works)

(1) Audited by Foo Kon Tan LLP, principal member firm of HLB International in Singapore.
(2) Audited by HLB Ler Lum, Malaysia

In accordance with Rule 715 of the Catalist Rule, the Audit Committee and directors of the Company, having reviewed the appointment of different auditors for the Group's subsidiaries, have assessed that it would not compromise the standard and effectiveness of the audit of the Company.

4 INVESTMENT IN A JOINT VENTURE COMPANY

The Group's and Company's investment in joint venture company comprises:

The Group	30 June 2021 $'000	30 June 2020 $'000
Unquoted equity shares, at cost	500	–
Share of results of joint venture company	(4)	–
At end of financial year	496	–

The Company	30 June 2021 $'000	30 June 2020 $'000
Unquoted equity shares, at cost	500	–

Details of the joint venture company is as follows:

Name	Country of incorporation/ Place of business	Proportion of ownership interest/ voting power 30 June 2021	Proportion of ownership interest/ voting power 30 June 2020	Principal activities
Held by the Company				
NNB Global Development Pte. Ltd. [1]	Singapore	50	–	Investment holding and property development
Held by Joint venture company				
NNB 8 Development Pte. Ltd. [1]	Singapore	80[2]	–	Property development

(1) Audited by Foo Kon Tan LLP for group audit purposes.
(2) NNB Global Development Pte. Ltd. holds direct equity interest of 80% in NNB 8 Development Pte. Ltd.

The joint venture company was incorporated on 30 October 2020, jointly controlled by the Company and Neo Group Limited. On 28 December 2020, the joint venture company incorporated a subsidiary, NNB 8 Development Pte. Ltd. ("NNB8"), principally engaged in the business of property development. On 8 April 2021, NNB8 acquired a property in Singapore using a cash consideration of $26.5 million, for the purposes of a future redevelopment project. At the date of this financial statement, the property remains undeveloped.

4 INVESTMENT IN A JOINT VENTURE COMPANY (CONTINUED)

Summarised financial information in respect of the Group's investment in joint venture company, based on SFRS(I) consolidated financial statements, and reconciliation with the carrying amount of the investment in the consolidated financial statements are as follows:

	30 June 2021 $'000
Current assets*	29,259
Current liabilities**	(6,868)
Non-current liabilities***	(21,200)
Net assets	1,191
Less: Non-controlling interest	(199)
Net assets attributable to owner	992

* Includes cash and cash equivalents of $85,000.
** Includes current financial liabilities (excluding trade and other payables and provisions) of $6,810,000.
*** Includes non-current financial liabilities (excluding trade and other payables and provisions) of $21,200,000.

	30 June 2021 $'000
Revenue	
Interest income	–
Expenses	–
Includes:	
- Depreciation and amortisation	–
- Interest expense	–
- Other operating expenses	(9)
Loss before tax	(9)
Income tax expense	–
Loss after tax, representing total comprehensive loss	(9)

Reconciliation of the above summarised financial information to the carrying amount of the interest in the joint venture company recognised in the Group's consolidated financial statements are as follows:

Net assets of the joint venture company attributable to owner	992
Proportion of the Group's ownership interest in the joint venture company	50%
Carrying amount of the Group's interest in the joint venture company	496

5 PROPERTY, PLANT AND EQUIPMENT

The Group	Leasehold buildings $'000	Plant and machinery $'000	Office equipment, furniture and fittings and computers $'000	Motor vehicles $'000	Renovation $'000	Total $'000
Cost						
At 1 July 2019	10,438	5,112	621	1,389	750	18,310
Exchange difference on translation	–	(14)	*	*	*	(14)
Additions	–	97	23	254	–	374
Change in future lease payments from a change in an index or a rate	(49)	–	–	–	–	(49)
Disposals	–	–	–	(57)	-	(57)
At 30 June 2020	10,389	5,195	644	1,586	750	18,564
Exchange difference on translation	–	(14)	*	*	*	(14)
Additions	128	249	64	249	–	690
Lease modification	58	–	–	–	–	58
At 30 June 2021	10,575	5,430	708	1,835	750	19,298
Accumulated depreciation						
At 1 July 2019	2,100	4,269	600	773	721	8,463
Exchange difference on translation	–	(11)	*	*	*	(11)
Depreciation charge	578	271	21	152	11	1,033
Disposals	–	–	–	(57)	–	(57)
At 30 June 2020	2,678	4,529	621	868	732	9,428
Exchange difference on translation	–	(14)	*	*	*	(14)
Depreciation charge	537	137	39	169	10	892
At 30 June 2021	3,215	4,652	660	1,037	742	10,306
Accumulated impairment loss						
At 1 July 2019	–	245	–	–	–	245
Additions	–	90	–	–	–	90
At 30 June 2020	–	335	–	–	–	335
Additions	–	–	–	–	–	–
At 30 June 2021	–	335	–	–	–	335
Net book value						
At 30 June 2021	7,360	443	48	798	8	8,657
At 30 June 2020	7,711	331	23	718	18	8,801

* Denotes amount less than $1,000

5 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

The Company	Office equipment, furniture and fittings and computers	Renovation	Total
	$'000	$'000	$'000
Cost			
At 1 July 2019, 30 June 2020 **and at 30 June 2021**	24	5	29
Accumulated depreciation			
At 1 July 2019	23	2	25
Depreciation charge	1	1	2
At 30 June 2020	24	3	27
Depreciation charge	–	1	1
At 30 June 2021	24	4	28
Net book value			
At 30 June 2021	–	1	1
At 30 June 2020	–	2	2

(a) As at 30 June 2021, the carrying amounts of right-of-use assets related to land rent for leased properties and motor vehicles amounted to $1,819,000 and $439,000 (2020: $1,836,000 and $411,000) respectively.

(b) At the end of the reporting period, the details of the Group's leasehold buildings are as follows:

Location	Description	Existing use	Tenure/lease term
24 Kranji Road, Singapore 739465	Building	Workshop/office/storage of construction equipment	Leasehold/ 30 years expiring 31 December 2021 (1)
72 Senoko Drive Singapore 758240 (2)	Building	Workshop/office/storage of construction equipment	Leasehold/ 20 years expiring 30 April 2039

(1) The lease has been extended during the year from 31 July 2021 (previous expiring lease term) to 31 December 2021.
(2) The leasehold building has been pledged as security for borrowings (Note 21.1).

Information about the Group's leasing activities are disclosed in Note 34.

5 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

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

In view of the losses incurred by the subsidiaries for the financial year ended 30 June 2021, management has assessed that there are indications of impairment of the Group's property, plant and equipment and right-of-use assets. Accordingly, the assets are tested for impairment.

Management has engaged independent professional valuers to carry out valuations on the property, plant and equipment and right-of-use assets to determine their recoverable amount based on fair value less costs of disposal, having considered the appropriate professional qualifications and recent experience of the valuers in the location and category of the property, plant and equipment and right-of-use assets being valued. In determining the fair value of the leasehold building which constituted the majority of the Group's property, plant and equipment, the valuer used the direct comparison approach. Accordingly, no impairment loss was recognised for property, plant and equipment and right-of-use assets for the current financial year.

Valuation techniques and significant unobservable inputs

The following table shows the valuation techniques used in measuring the Level 3 fair value hierarchy, as well as the significant unobservable inputs used:

Valuation method	**Key unobservable inputs**	**Inter-relationship between key unobservable inputs and fair value measurement**
Leasehold building		
Direct comparison approach		*The estimated fair value would increase/(decrease) if:*
	30/6/2021: $184 to $247 psf (30/6/2020: $162 to $247 psf)	*Transacted price per square feet ("psf") of comparable properties was higher (lower):*
		Tenure was longer (shorter); Size was smaller (larger); Property use was superior (inferior); Timing of transaction was superior (inferior)

6 INVESTMENT PROPERTIES

The Group	30 June 2021 $'000	30 June 2020 $'000
At fair value		
At beginning of financial year	17,837	18,587
Changes in fair value included in profit or loss (Note 27)	(204)	(651)
Exchange difference on translation	(92)	(99)
At end of financial year	17,541	17,837

The following amounts are recognised in profit or loss:

The Group	30 June 2021 $'000	30 June 2020 $'000
Rental income	127	37
Direct operating expenses arising from:		
- Investment properties that generate rental income	(9)	(9)

Investment properties are leased to non-related parties under operating leases (see Note 34).

Fair value measurement of the Group's investment properties

The fair values of the Group's investment properties at 30 June 2021 and 2020 have been determined on the basis of valuations carried out at the respective financial year end by independent valuers having an appropriate recognised professional qualification and recent experience in the location and category of the properties being valued, and not related to the Group. In estimating the fair value of the properties, the highest and best use of the properties is their current use.

The details of the Group's investment properties and the fair value hierarchy are as follows:

Location	Description/ existing use	Tenure/ lease term	Gross floor area / land area (square metres)	The Group's interest (%)
19 Woodland Industrial Park E1 #02-02, Singapore 757719	Office unit/ for providing rental	Leasehold/60 years expiring 8 January 2055	93	100
19 Woodland Industrial Park E1 #02-03, Singapore 757719	Office unit/ for providing rental	Leasehold/60 years expiring 8 January 2055	92	100
Lot No. PTD 109193 to 109212, 109217 to 109224, 109226 to 109233, 109236 to 109244 and 109246 to 109272 Mukim of Senai, District of Kulaijaya, Johor, Malaysia	Industrial land/ for providing rental	Freehold	112,805	100

6 INVESTMENT PROPERTIES (CONTINUED)

The Group	Level 1	Level 2	Level 3	Fair value as at 30 June 2021
	$'000	$'000	$'000	$'000
Investment properties:				
Located at Singapore	–	–	700	700
Located at Malaysia	–	–	16,841	16,841
	–	–	17,541	17,541

The Group	Level 1	Level 2	Level 3	Fair value as at 30 June 2020
	$'000	$'000	$'000	$'000
Investment properties:				
Located at Singapore	–	–	580	580
Located at Malaysia	–	–	17,257	17,257
	–	–	17,837	17,837

For the Group's investment properties categorised into Level 3 of the fair value hierarchy, the following information is relevant:

Valuation method	Significant unobservable input(s)	Inter-relationship between key unobservable inputs and fair value measurement
Investment properties Direct comparison approach		*The estimated fair value would increase/(decrease) if:*
Office units in Singapore	*30/6/2021: $319 to $406 psf* *(30/6/2020: $259 to $368 psf)*	*Transacted price per square feet ("psf") of comparable properties was higher (lower):* *Floor level was lower (higher);* *Timing of transaction was superior (inferior)*
Industrial land in Malaysia	*30/6/2021: $21 to $33 psf* *(30/6/2020: $22 to $34 psf)*	*Transacted price per square feet ("psf") of comparable properties was higher (lower):* *Size was smaller (larger);* *Location was superior (inferior);* *Timing of transaction was superior (inferior);* *Property use was superior (inferior);* *Availability of infrastructure was superior (inferior)*

7 DEFERRED TAX ASSETS AND LIABILITIES

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

The Group	30 June 2021 $'000	30 June 2020 $'000
Deferred tax assets	(132)	(170)
Deferred tax liabilities	721	799
	589	629

The balance comprises tax on the following temporary differences:

The Group	Accelerated tax depreciation $'000	Fair value gain $'000	Tax losses $'000	ROU assets and lease liabilities $'000	Total $'000
At 1 July 2020	129	805	–	–	934
Credited to profit or loss (Note 29)	(15)	(156)	(149)	15	(305)
At 30 June 2020	114	649	(149)	15	629
Credited to profit or loss (Note 29)	44	(78)	18	(24)	(40)
At 30 June 2021	158	571	(131)	(9)	589

Subject to agreement with the relevant authorities, the Group has unabsorbed capital allowances and tax losses of $2,885,000 (2020 - $2,885,000) and $3,498,000 (2020 - $3,134,000), respectively, available for offset against future taxable profits provided that the provisions of relevant tax legislations are complied with. The unabsorbed capital allowance and tax losses may be carried forward indefinitely subject to conditions imposed by law including the retention of majority shareholders as defined.

No deferred income tax liabilities has been recognised for withholding taxes and other taxes that will be payable on unremitted earnings of the Group's subsidiaries (established in Malaysia) as the Group is in a position to control the timing of the remittance of earning and it is not probable that these subsidiaries will distribute such earnings in the foreseeable future.

Unrecognised deferred tax assets

The Group	30 June 2021 $'000	30 June 2020 $'000
Capital allowances	686	686
Tax losses	681	616
	1,367	1,302

8 INVENTORIES

The Group	30 June 2021 $'000	30 June 2020 $'000
Raw materials	35	125

The cost of inventories recognised as an expense and included in cost of works amounted to $90,000 (2020 - $30,000).

9 CONTRACT ASSETS

The contract assets primarily relate to the Group's rights to consideration for work completed but not billed at the end of the reporting period on its construction contracts. The amounts recognised as contract assets are reclassified to trade receivables at the point at which it is invoiced to the customer.

The Group	30 June 2021 $'000	30 June 2020 $'000
Construction contracts	57,651	42,237
Less: Expected credit loss (ECL) allowance		
Beginning of financial year	(619)	–
Reversal/(charge for the financial year)	247	(619)
End of financial year	(372)	(619)
Contract assets	57,279	41,618

As at 1 July 2019, the Group's gross contract assets balance amounted to S$43,698,000.

Further information about ECL is disclosed at Note 36.

10 COMPLETED PROPERTIES FOR SALE

The Group	30 June 2021 $'000	30 June 2020 $'000
At beginning of financial year	5,744	5,775
Exchange difference on translation	(42)	(31)
At end of financial year	5,702	5,744

The completed properties for sale have been pledged as securities for borrowings (Note 21.1).

The details of the Group's completed properties for sale are as follows:

Location	Description	Tenure	Gross floor area (square metres)	The Group's Interest (%)
Lot No. PTD 109172 to 109173 and 109176 to 109191 Mukim of Senai, District of Kulaijaya, Johor Malaysia	18 units of 3 storey terraced service industries	Freehold	5,077	100

11 TRADE AND OTHER RECEIVABLES

	The Group		The Company	
	30 June 2021 $'000	30 June 2020 $'000	30 June 2021 $'000	30 June 2020 $'000
Trade receivables				
Non-related parties	9,173	4,479	–	–
Subsidiaries	–	–	–	695
	9,173	4,479	–	695
Allowance on impairment loss on trade receivables	(148)	(355)	–	–
	9,025	4,124	–	695
Non-trade receivables				
Non-related parties	142	232	–	–
Subsidiaries	–	–	5,662	5,704
Joint venture company	2,658	–	2,658	–
Allowance on impairment loss on non-trade receivables	–	–	(2,999)	(1,622)
	2,800	232	5,321	4,082
At amortised cost	11,825	4,356	5,321	4,777
Advances paid to suppliers	654	2,531	–	–
Goods and services tax ("GST") receivables	37	140	–	–
	12,516	7,027	5,321	4,777

Outstanding balances with subsidiaries and joint venture company are advances for working capital which are unsecured, interest-free and repayable on demand. As at the reporting date, management carried out an expected credit losses review on the amounts extended to its subsidiaries and joint venture company. For amounts due from subsidiaries and joint venture company which are repayable on demand, expected credit losses are based on the assumption that repayment of these amounts due from subsidiaries and joint venture company are demanded at the reporting date. Based on management's assessment, the amounts due from subsidiaries could not be repaid if demanded at the reporting date after considering the highly accessible liquid assets of the subsidiaries. Accordingly, the Company recognised an additional impairment loss of $1,377,000 (2020 - $1,300,000) on the amounts due from its subsidiaries.

11 TRADE AND OTHER RECEIVABLES (CONTINUED)

	The Group		The Company	
	30 June 2021 $'000	30 June 2020 $'000	30 June 2021 $'000	30 June 2020 $'000
At beginning of the financial year	355	–	1,622	322
(Reversal)/charge for the financial year	(207)	355	1,377	1,300
At end of the financial year	148	355	2,999	1,622

Further information about ECL is disclosed at Note 36.

Credit risk concentration profile

	30 June 2021 $'000	30 June 2020 $'000
By types of customers[2]		
State-owned entities[1]	6,280	2,270
Other companies	2,776	2,062
Buyers of the properties	117	147
	9,173	4,479

(1) Government ministries, statutory boards and government-linked companies.

(2) At the end of the reporting date, there was one (2020 - three) debtors that exceeded 10% (based on individual debtor) of the Group's total trade receivables.

12 OTHER CURRENT ASSETS

	The Group		The Company	
	30 June 2021 $'000	30 June 2020 $'000	30 June 2021 $'000	30 June 2020 $'000
Deposits	750	789	–	–
Prepayments	58	58	3	3
	808	847	3	3

13 GRANT RECEIVABLES AND DEFERRED GRANTS

Grant receivables and deferred grants primarily relates to grant provided by the Singapore Government for wages paid to qualifying local employees under the Jobs Support Scheme.

14 CASH AND BANK BALANCES

	The Group		The Company	
	30 June 2021 $'000	30 June 2020 $'000	30 June 2021 $'000	30 June 2020 $'000
Cash on hand	80	83	–	–
Cash at bank	818	3,431	25	73
Cash and bank balances in the statement of financial position	898	3,514	25	73
Less: Bank overdrafts	(494)	(178)	–	–
Cash and cash equivalents in the statement of cash flows	404	3,336	25	73

15 SHARE CAPITAL

	No. of ordinary shares		Amount	
The Company and The Group	2021 '000	2020 '000	2021 $'000	2020 $'000
Issued and fully paid, with no par value				
Balance at beginning and at end of financial year	185,625	185,625	17,676	17,676

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All shares rank equally with regard to the Company's residual assets.

16 CURRENCY TRANSLATION RESERVE

Currency translation reserve arises from the translation of the financial statements of foreign operations whose functional currencies are different from the functional currency of the Company, which is also the presentation currency of the financial statements.

17 MERGER RESERVE

Merger reserve represents the difference between the cost of investment and nominal value of share capital of the subsidiaries acquired under common control.

18 CAPITAL RESERVE

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

19 PROPERTY REVALUATION RESERVE

Property revaluation reserve arises on the transfer of an owner-occupied property to an investment property carried at fair value. The difference between the carrying amount of the property and its fair value at that date of transfer was recognised in other comprehensive income. When the investment property is subsequently disposed, property revaluation reserve is effectively realised and is transferred directly to retained profits.

20 SHARE OPTION RESERVE

Share option reserve represents the equity-settled share options granted to employees (Note 32). The reserve is made up of the value of services received from employees recorded on grant of equity-settled share options.

21 BORROWINGS

	The Group		The Company	
	30 June 2021 $'000	30 June 2020 $'000	30 June 2021 $'000	30 June 2020 $'000
Current				
Bank overdrafts	494	178	–	–
Bank borrowings	20,969	21,923	1,300	1,500
	21,463	22,101	1,300	1,500
Non-current				
Bank borrowings	10,666	9,514	–	–
	10,666	9,514	–	–
Total borrowings	32,129	31,615	1,300	1,500

21.1. BANK BORROWINGS

The interest rates on borrowings of the Group and the Company ranged from 1.73% to 7% (2020 - 1.73% to 7%) and 2.57% to 2.7% (2020 - 2.85% to 4.33%), respectively.

For the financial years ended 30 June 2021 and 30 June 2020, certain bank borrowings are secured by corporate guarantees given by the Company. Bank borrowing obtained for a leasehold building is secured over the leasehold building (Note 5). The Company's bank borrowing is secured by corporate guarantee given by a subsidiary.

For the financial years ended 30 June 2021 and 30 June 2020, lease liabilities of the Group relating to motor vehicles are secured over the underlying leased assets (Note 5).

Bank overdrafts are granted to a subsidiary amounting to $494,000 (2020 - $178,000), repayable on demand, with interest at the bank's prime rate prevailing from time to time. Bank overdrafts have been secured by corporate guarantee given by the Company.

The Company has a revolving credit facility outstanding of $1,300,000 (2020 – $1,500,000) drawn down in August 2014. Repayment commenced in 29 August 2014 and will continue until 1 December 2027. The revolving loan is secured by corporate guarantee given by a subsidiary. The revolving loan carries interest at 2% per annum over the bank's prevailing cost of funds.

21 BORROWINGS (CONTINUED)

21.1. BANK BORROWINGS (CONTINUED)

In addition, the subsidiaries of the Group have four principal bank loans:

(a) Term loan outstanding of $4,250,000 (2020 – $4,539,000) drawn down in January 2019. Repayments commenced in July 2019 and will continue until April 2024. The term loan is secured by the Group's leasehold building (Note 5) and corporate guarantee given by the Company. The term loan carries interest at 1.5% per annum over the bank's prevailing cost of funds.

(b) Term loan outstanding of $2,646,000 (2020 - $Nil) drawn down in November 2020. Repayments commenced in December 2020 and will continue until November 2023. The term loan is secured by the Group's completed properties for sale (Note 10) and corporate guarantee given by the Company and a subsidiary. The term loan carries fixed interest rate at 3.80% per annum.

(c) Total revolving working capital loans outstanding of $15,423,000 (2020 - $18,279,000) were drawn down between May 2013 and April 2020. All the revolving loans are secured by the corporate guarantee given by the Company. The revolving loans carry interest rate ranged from 2% to 3% per annum over the bank's prevailing cost of funds.

(d) Import invoice financing loans outstanding of $8,016,000 (2020 - $7,119,000) were drawn down to finance the purchase of goods and services. The import invoice financing loans are secured by the corporate guarantee given by the Company. The import invoice financing loans carry interest rate ranged from 2% to 2.5% per annum over the bank's prevailing cost of funds.

21 BORROWINGS (CONTINUED)

21.2 RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

	Non-cash					Cash					
The Group	1 July 2020 $	Currency translation difference $	New leases $	Lease modification $	Interest expense $	Proceeds from borrowings $	Repayment of borrowings $	Net change to overdraft $	Repayment of principal portion of lease liabilities $	Interest paid $	30 June 2021 $
Bank borrowings	31,437	(9)	–	–	–	23,773	(23,566)	–	–	–	31,635
Lease liabilities	2,158	–	204	58	80	–	–	–	(241)	(80)	2,179
Interest payable	–	–	–	–	915	–	–	–	–	(915)	–

	Non-cash					Cash					
The Group	1 July 2019 $	Adoption of SFRS(I) 16 $	Change in index rate $	New leases $	Interest expense $	Proceeds from borrowings $	Repayment of borrowings $	Net Change to overdraft $	Repayment of principal portion of lease liabilities $	Interest paid $	30 June 2020 $
Bank borrowings	27,099	–	–	–	–	30,378	(26,040)	–	–	–	31,437
Obligations under finance leases	190	(190)	–	–	–	–	–	–	–	–	–
Lease liabilities	–	2,243	(49)	166	84	–	–	–	(202)	(84)	2,158
Interest payable	–	–	–	–	1,042	–	–	–	–	(1,042)	–

22 LEASE LIABILITIES

The Group	2021 $'000	2020 $'000
Undiscounted lease payments due:		
- Year 1	304	229
- Year 2	251	211
- Year 3	227	211
- Year 4	190	210
- Year 5	160	173
- Year 6 and onwards	1,754	1,899
Less: Future interest cost	(707)	(775)
Lease liabilities	2,179	2,158
Presented as:		
Current	225	150
Non-current	1,954	2,008
Lease liabilities	2,179	2,158

Interest expense on lease liabilities of $80,000 (2020 - $84,000) is recognised within "finance costs" in profit or loss.

Rental expenses not capitalised in lease liabilities but recognised within "administrative expenses" in profit or loss are set out below:

The Group	2021 $'000	2020 $'000
Short-term leases	18	13

Total cash outflows for all leases in the year amount to $339,000 (2020 - $299,000).

As at 30 June 2021, the Group's short-term lease commitments at the end of the reporting period are not substantially dissimilar to those giving rise to the Group's short-term lease expense for the year.

Information about the Group's leasing activities are disclosed in Note 34.

Further information about the financial risk management are disclosed in Note 36.

23 TRADE AND OTHER PAYABLES

	The Group		The Company	
	30 June 2021 $'000	30 June 2020 $'000	30 June 2021 $'000	30 June 2020 $'000
Trade payables				
Non-related parties	22,969	18,312	120	55
Non-trade payables				
Non-related parties	38	1	–	–
Subsidiary	–	–	1,901	–
Directors	11,711	2,921	1,651	921
	11,749	2,922	3,552	921
Deposits	122	89	–	–
Accrued operating expenses	7,192	3,398	210	244
	7,314	3,487	210	244
Financial liabilities at amortised cost	42,032	24,721	3,882	1,220
GST payables	247	225	35	40
	42,279	24,946	3,917	1,260

Outstanding balances due to a subsidiary are advances for working capital, which are unsecured, interest-free and repayable on demand.

Outstanding balances due to directors are unsecured, interest-free and repayable on demand. Included in the balances due to directors is an amount of $10,790,000 (2020 - $2,000,000) relating to advances made by the directors.

The movement in the advances made by directors are as follows:

The Group	2021 $'000	2020 $'000
At beginning of financial year	2,000	2,000
Advances made during the year	8,790	–
At end of financial year	10,790	2,000

24 CONTRACT LIABILITIES

The contract liabilities primarily relate to progress billings issued in excess of the Group's rights to the consideration for construction contracts.

Contract liabilities are recognised as revenue when the Group fulfills its performance obligations under the contract with the customer. The significant changes in the contract liabilities during the financial year are as follows:

The Group	2021 $'000	2020 $'000
Revenue recognised that was included in the contract liabilities at the beginning of the financial year	(1,097)	(741)
Increases due to cash received, excluding amounts recognised as revenue during the financial year	935	1,102

25 REVENUE

The following table illustrates the disaggregation disclosure by primary geographical market, major lines of business and timing of revenue recognition, including a reconciliation of how the disaggregated revenue ties in with the general building, properties development and investment, and precast manufacturing.

The Group	General building $'000	Properties development and investment $'000	Precast manufacturing $'000	Total 2021 $'000
Segments				
Primary geographical markets				
Singapore	59,692	–	198	59,890
Malaysia	345	–	20	365
	60,037	–	218	60,255
Major lines of business				
Construction works	32,683	–	–	32,683
Building and maintenance	27,354	–	–	27,354
Sales of developments properties	–	–	–	–
Precast manufacturing	–	–	218	218
	60,037	–	218	60,255
Timing of revenue recognition				
At a point in time	–	–	218	218
Over time	60,037	–	–	60,037
	60,037	–	218	60,255

The Group	General building $'000	Properties development and investment $'000	Precast manufacturing $'000	Total 2020 $'000
Segments				
Primary geographical markets				
Singapore	52,576	–	250	52,826
Malaysia	94	–	–	94
	52,670	–	250	52,920
Major lines of business				
Construction works	35,915	–	–	35,915
Building and maintenance	16,755	–	–	16,755
Sales of developments properties	–	–	–	–
Precast manufacturing	–	–	250	250
	52,670	–	250	52,920
Timing of revenue recognition				
At a point in time	–	–	250	250
Over time	52,670	–	–	52,670
	52,670	–	250	52,920

26 OTHER INCOME

The Group	2021 $'000	2020 $'000
Equipment handling income	500	281
Rental income from investment properties	127	37
Government grants	3,147	1,176
Insurance compensation	21	3
Gain on disposal of property, plant and equipment	–	22
Others	118	46
	3,913	1,565

27 OTHER EXPENSES

The Group	2021 $'000	2020 $'000
Changes in fair value of investment properties	204	651
Impairment loss of property, plant and equipment	–	90
Currency translation loss	133	155
	337	896

28 FINANCE COSTS

The Group	2021 $'000	2020 $'000
Interest expense:		
Bank borrowings	915	1,042
Lease liabilities	80	84
Finance costs recognised in profit or loss	995	1,126

29 TAXATION

The Group	2021 $'000	2020 $'000
Current taxation	70	–
Under-provision of current taxation in respect of prior financial years	2	285
	72	285
Deferred taxation	(60)	(305)
Under-provision of deferred taxation in respect of prior financial years (Note 7)	20	–
	(40)	(305)
	32	(20)

The tax expense on the results of the financial year varies from the amount of income tax determined by applying the Singapore statutory rate of income tax on profits/(losses) as a result of the following:

The Group	2021 $'000	2020 $'000
Profit/(Loss) before taxation	645	(4,034)
Tax at statutory rate of 17% (2020: 17%)	110	(686)
Effect of tax rate for different jurisdiction	(78)	(117)
Tax effect on non-deductible expenses[a]	177	200
Tax effect on non-taxable income[b]	(272)	(17)
Tax exempt income	(17)	–
Deferred tax assets on temporary difference not recognised	127	277
Effect of tax losses disallowed	1	35
Utilisation of deferred tax assets previously not recognised	(62)	(12)
Under provision of taxation in respect of prior financial years	22	285
Others	24	15
	32	(20)

(a) Non-deductible expenses mainly relate to depreciation of non-qualifying assets and other disallowed expenses incurred in the ordinary course of business.

(b) Non-taxable income mainly relate to job support scheme income and reversal of impairment losses on trade receivables and contract assets.

30 TOTAL PROFIT/(LOSS) FOR THE FINANCIAL YEAR

Expenses by nature

The Group	2021 $'000	2020 $'000
Purchase of materials	7,932	5,082
Fees on audit services paid/payable to:		
- Auditor of the Company	95	95
- Other auditor	16	4
Fees on non-audit services paid/payable to:		
- Auditor of the Company	18	13
- Other auditor	29	25
Depreciation of property, plant and equipment	892	1,033
Directors' fees	139	139
Donation	40	45
Staff costs		
Directors		
- Salaries and bonuses	996	1,236
- Employer's contribution to defined contribution plans	31	32
Key Management Personnel (other than Directors)		
- Salaries and bonuses	213	247
- Employer's contribution to defined contribution plans	25	27
Other than directors and key management personnel		
- Salaries and bonuses	8,168	9,008
- Employer's contribution to defined contribution plans	469	469
	9,902	11,019
Other short-term benefits	321	372
Entertainment expenses	83	78
Delivery charges	20	30
Professional charges	314	261
Property and land tax	157	119
Rental on operating leases	18	13
Sub-contractor charges	36,033	29,888
Utilities	149	120
Worksite and factory expenses	5,393	6,258
Changes in inventories	90	30
(Reversal)/Impairment of financial assets and contract assets	(454)	974
Bad debts written off	–	67
Others	1,000	832
Total cost of works, distribution and marketing costs and administrative expenses	62,187	56,497

31 EARNINGS/(LOSSES) PER SHARE ATTRIBUTABLE TO OWNER OF THE PARENT

Earnings/(losses) per share is calculated based on the consolidated net profit/(loss) attributable to owner of the parent divided by the weighted average number of shares in issue during the financial year.

Basic and diluted earnings/(losses) per share

The Group	2021	2020
Profit/(Loss) attributable to owner of the parent ($'000)	629	(3,948)
Weighted average number of shares in issue ('000)	185,625	185,625
Basic and diluted earnings/(losses) per share (cents)	0.34	(2.13)

As at 30 June 2021, the employee share options were excluded from the calculation of the diluted weighted average number of ordinary shares in issue as the average market price of the Company's ordinary shares for the year then ended does not exceed the exercise price.

As at 30 June 2020, the basic and diluted losses per share are the same as the outstanding options are anti-dilutive.

32 SHARE-BASED PAYMENTS

Employee share option scheme

The Company has an employee share incentive plan for the granting of non-transferable options to directors and other full-time eligible employees. Options are granted for a term of 10 years to purchase the Company's ordinary shares at the price of $0.126 for each share. 25%, 50%, 75% and 100% of the options are exercisable beginning on the first, second, third and fourth anniversary, respectively, from the date of the grant.

Information with respect to the number of options granted under the Company's employee share option plan is as follows:

The Company and The Group	Number of share options 2021 '000	Weighted average exercise price 2021 $	Number of share options 2020 '000	Weighted average exercise price 2020 $
Outstanding at the beginning and end of financial year	5,569	0.126	5,569	0.126
Exercisable at financial year end	2,784	–	1,392	–

The options outstanding at the end of financial year have remaining contractual life of 7.41 years (2020: 8.41 years).

32 SHARE-BASED PAYMENTS (CONTINUED)

EMPLOYEE SHARE OPTION SCHEME (Continue)

The fair value of share options as at the date of grant, had been estimated by an external valuer using a Trinomial model, taking into account the terms and conditions upon which the options were granted. The inputs to the model are shown below.

The Company and The Group	
Weighted average share price	$0.102
Weighted average exercise price	$0.126
Expected volatility	68.86%
Expected option life	10
Risk free rate	2.01%
Expected dividend yield	Nil
Fair value at measurement date	$0.101

The expected life of the options is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility is indicative of future trends, which may also not necessarily be the actual outcome. Other than stated, no other features of the option grant were incorporated into the measurement of fair value.

33 RELATED PARTY TRANSACTIONS

In addition to the related party information disclosed elsewhere in the financial statements, the following are significant transactions with related parties at agreed rates:

(a) Sales and purchases of goods and services

The Group	2021 $'000	2020 $'000
Advisory fees paid to a director	12	30

(b) Compensation of directors and key management personnel

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

The Group	2021 $'000	2020 $'000
Salaries and bonuses	1,209	1,483
Directors' fees	139	139
Employer's contribution to defined contribution plans including Central Provident Fund	56	59
Share-based payments	114	141
Other short-term benefits	170	184
	1,688	2,006

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

34 LEASES

Information about leases for which the Group is a lessee is presented below.

Right -of-use assets

Right-of-use assets related to leased assets that do not meet the definition of investment property are presented as property, plant and equipment (see Note 5).

	Land rent for leasehold building $'000	Motor vehicles $'000	Total $'000
Balance at 1 July 2019	2,054	249	2,303
Depreciation charge for the year	(169)	(46)	(215)
Additions to right-of-use assets	–	208	208
Adjustment to right-of-use assets*	(49)	–	(49)
Balance at 30 June 2020	1,836	411	2,247
Depreciation charge for the year	(203)	(48)	(251)
Additions to right-of-use assets	128	76	204
Lease modification	58	–	58
Balance at 30 June 2021	1,819	439	2,258

* Adjustment to the right-of-use assets during the previous financial year arose from a change in future lease payment as a result of a change in index or rate.

Amounts recognised in profit or loss

The Group	2021 $'000	2020 $'000
Interest on lease liabilities	80	84
Expenses relating to short-term leases	18	13

(i) The Group as lessee

(a) Properties

The Group makes monthly land lease payments for the use of the leasehold buildings as disclosed in Note 5.

There are no externally imposed covenants on these property lease arrangements.

(b) Motor vehicles

The Group acquires motor vehicles under hire purchase arrangements to render internal logistics support. These motor vehicles are recognised as the Group's right-of-use assets (Note 5).

34 LEASES (CONTINUED)

(ii) The Group as lessor

Investment properties

Operating leases, in which the Group is the lessor, relate to investment properties (Note 6) owned by the Group with lease terms between 1 to 2 years with one-year extension option. All operating lease contracts contain market review clauses in the event that the lessee exercises its option to renew. The lessee does not have an option to purchase the property at the expiry of the lease period.

These leases are classified as operating lease because the risk and rewards incidental to ownership of the assets are not substantially transferred.

The Group's revenue from rental income received on the investment properties are disclosed in Note 26.

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

The Group	2021 $'000	2020 $'000
Undiscounted lease payments to be received:		
Not later than one year	316	17
Between two and five years	115	–
	431	17

35 OPERATING SEGMENTS

The Group's operating segments are its strategic business units which offer different services and are managed separately. Management has determined the operating segments based on the reports reviewed by the Chief Executive Officer that are used to make strategic decisions, allocate resources and assess performance. Currently, the business segments operate in Singapore and Malaysia.

The accounting policies of the reportable segments are the same as the Group's accounting policies described in Note 2. Other services included in Singapore are investment holding, which are not included within the reportable operating segments, as these are not included in the reports provided to the Board of Directors. The results of these operations, if any, are included in the "unallocated segments".

The Group's activities comprise the following reportable segments:

(i) General building which involved the construction and building and maintenance works such as excavation, piling, sub-structures and superstructures works, architectural works, aluminium cladding and curtain walling, mechanical and engineering works, supply and installation of furniture/interior fitting-out works, external works, and landscaping;

(ii) Precast manufacturing which involved the manufacturing and trading of concrete precast products;

(iii) Properties development and investment which involved investment in and trading of and development of industrial and residential properties; and

(iv) Soil investigation and treatment which involved providing consultation services. This segment does not meet the quantitative threshold required by *SFRS(I) 8 Operating Segments* for the reportable segments. Management has concluded that this segment should be reported, as it is closely monitored by the Board of Directors as a potential growth operating segment and is expected to contribute to the Group's revenue in the future.

35 OPERATING SEGMENTS (CONTINUED)

The Group	General Building	Precast manufacturing	Properties development and investment	Soil investigation and treatment	Unallocated segments	Elimination	Total
	$'000	$'000	$'000	$'000	$'000	$'000	$'000
30 June 2021							
Business segments							
Revenue							
External	60,037	218	–	–	–	–	60,255
Inter-segment	–	168	–	–	–	(168)	–
	60,037	386	–	–	–	(168)	60,255
Gross profit	4,812	(26)	–	–	–	–	4,786
Other income							3,913
Unallocated costs							(7,059)
Finance costs							(995)
Profit before taxation							645
Taxation							(32)
Total profit for the financial year							613
Total profit for the financial year includes:							
Depreciation of PPE	729	162	–	–	1	–	892
Reversal of impairment loss on financial assets and contract assets	(454)	–	–	–	–	–	(454)
Changes in fair value of investment properties	(120)	–	324	–	–	–	204
Segment assets	75,403	547	23,044	6	5,135	–	104,135
Total assets includes:							
Additions to:							
Property, plant and equipment and right-of-use assets	309	381	–	–	–	–	690
Segment liabilities	60,016	564	3,942	4	14,335	–	78,861

35 OPERATING SEGMENTS (CONTINUED)

The Group	General Building $'000	Precast manufacturing $'000	Properties development and investment $'000	Soil investigation and treatment $'000	Unallocated segments $'000	Elimination $'000	Total $'000
30 June 2020							
Business segments							
Revenue							
External	52,670	250	–	–	–	–	52,920
Inter-segment	–	210	–	–	–	(210)	–
	52,670	460	–	–	–	(210)	52,920
Gross profit	4,778	40	–	–	–	–	4,818
Other income							1,565
Unallocated costs							(9,291)
Finance costs							(1,126)
Loss before taxation							(4,034)
Taxation							20
Total loss for the financial year							(4,014)
Total loss for the financial year includes:							
Depreciation of PPE	772	226	3	30	2	–	1,033
Impairment of PPE	–	–	–	90	–	–	90
Impairment loss on financial assets and contract assets	905	69	–	–	–	–	974
Changes in fair value of investment properties	–	–	651	–	–	–	651
Segment assets	57,185	433	23,613	–	4,785	–	86,016
Total assets includes:							
Additions to:							
Property, plant and equipment and right-of-use assets	2,340	88	–	–	–	–	2,428
Segment liabilities	53,187	1,066	1,328	6	5,883	–	61,470

35 OPERATING SEGMENTS (CONTINUED)

The Board of Directors assesses the performance of the operating segments based on the gross profit. Administrative expenses, distribution and marketing costs, taxation, finance costs, other expenses and other income are not allocated to segments.

Reportable segments' assets are reconciled to total assets as follows:

Segment assets and liabilities are allocated based on the operations of the segments and presented net of inter-segment balances. Unallocated assets comprise of cash and bank balances, other current assets, other receivables, deferred tax assets, investment in a joint venture company and the Company's grant receivables and property, plant and equipment, and amounts due from a joint venture company.

The Group	2021 $'000	2020 $'000
Segment assets for reportable segments	99,000	81,231
Unallocated:		
Cash and bank balances	898	3,514
Other current assets	808	847
Other receivables	142	232
Deferred tax assets	132	170
Investment in a joint venture company	496	–
The Company's amounts due from a joint venture company	2,658	–
The Company's grant receivables	–	20
The Company's property, plant and equipment	1	2
	104,135	86,016

Reportable segments' liabilities are reconciled to total liabilities as follows:

Unallocated liabilities comprise of other payables, current tax payable, deferred tax liabilities, the Company's borrowing, deferred grants, trade payables, GST payables and accrued operating expenses.

The Group	2021 $'000	2020 $'000
Segment liabilities for reportable segments	64,526	55,587
Unallocated:		
Other payables (excluding accrued operating expenses)	11,871	3,011
Current tax payable	78	207
Deferred tax liabilities	721	799
The Company's borrowings	1,300	1,500
The Company's deferred grants	–	27
The Company's trade payables, GST payables and accrued operating expenses	365	339
	78,861	61,470

35 OPERATING SEGMENTS (CONTINUED)

Information about major customers

The Group has two (2020 - four) major customers from Singapore's general building activities that each contributed greater than 10% of the Group's total revenue:

The Group	2021 $'000	2020 $'000
State-owned entity A	31,658	18,314
State-owned entity B	8,069	10,622
State-owned entity C	N.A.	7,790
State-owned entity D	N.A.	5,631

Geographical segments

The Group	2021 $'000	2020 $'000
Revenue		
- Singapore	59,890	52,826
- Malaysia	365	94
	60,255	52,920
Non-current assets		
Singapore	9,481	9,252
Malaysia	17,345	17,556
	26,826	26,808

36 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company's and the Group's financial risk management policies set out the Company's and the Group's overall business strategies and its risk management philosophy. The Company and the Group are exposed to financial risks arising from its operations and the use of financial instruments. The key financial risks include credit risk, liquidity risk, interest rate risk and foreign currency risk. The Company's and the Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise adverse effects from the unpredictability of financial markets on the Company's and the Group's financial performance.

The Board of Directors are responsible for setting the objectives and provide principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative and non-derivative financial instruments and investing excess liquidity.

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

There has been no change to the Company's and 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.

36 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

36.1 FOREIGN CURRENCY RISK (CONTINUED)

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. Currency risk arises when transactions are denominated in foreign currencies.

The Company is not exposed to foreign currency risk as it does not have any transactions transacted in currency other than its functional currency.

The Group has transactional currency exposures that are denominated in Singapore Dollar (SGD) for entities that have functional currency denominated in Malaysian Ringgit (MYR).

Sensitivity analysis for foreign currency risk

The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the year end for a 5% change in foreign currency rates. The sensitivity analysis includes advances to foreign operations within the Group where they gave rise to an impact on the Group's profit or loss.

If SGD strengthens or weakens by 5% (2020 – 5%) against the functional currency of each group entity, the Group's total profit for the financial year end will decrease/increase by $1,015,000 (2020 – total loss for the financial year will increase/decrease by $1,105,000).

36 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

36.1 FOREIGN CURRENCY RISK (CONTINUED)

The summary of quantitative data about the Group's exposure to foreign currency risks as provided to the management of the Group based on its risk management policy is as follows:

Group	Singapore dollars $'000	Malaysian Ringgit $'000	Total $'000
2021			
Trade receivables	8,642	383	9,025
Other receivables	133	9	142
Deposits	642	108	750
Amounts due from joint venture company	2,658	–	2,658
Cash and bank balances	523	375	898
Trade and other payables	(40,859)	(1,173)	(42,032)
Borrowings	(29,483)	(2,646)	(32,129)
Lease liabilities	(2,087)	(92)	(2,179)
Net statement of financial position exposure	(59,831)	(3,036)	(62,867)
Less: Net financial assets denominated in the respective entities' functional currency	59,831	3,036	62,867
Net exposure	–	–	–
2020			
Trade receivables	3,730	394	4,124
Other receivables	232	–	232
Deposits	688	101	789
Cash and bank balances	3,354	160	3,514
Trade payables and other payables	(23,366)	(1,355)	(24,721)
Borrowings	(31,615)	–	(31,615)
Lease liabilities	(2,158)	–	(2,158)
Net statement of financial position exposure	(49,135)	(700)	(49,835)
Less: Net financial assets denominated in the respective entities' functional currency	49,135	700	49,835
Net exposure	–	–	–

36 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

36.2 INTEREST RATE RISK

Interest rate risk is the risk that the fair value or future cash flows of the Group's financial instruments will fluctuate because of changes in market interest rates. The Group's exposure to interest rate risk arises primarily from its debt obligations with financial institutions.

The Group manages its interest rate risk by keeping bank borrowings to the minimum required to sustain the operations of the Group.

Sensitivity analysis for interest rate risk

If interest rates had been 50 (2020 - 50) basis points higher or lower and all other variables were held constant, the Group's total profit or loss for the financial year would decrease/increase by $160,000 (2020 - $158,000). This is mainly attributable to the Group's exposure to interest rates on its variable rate bank borrowings.

36.3 CREDIT RISK

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligation, and arises principally from the Group's receivables from customers and contract assets.

The carrying amount of financial assets in the statement of financial position represents the Group's and the Company's respective maximum exposure to credit risk, before taking into account any collateral held. The Group and the Company do not hold any collateral in respect of its financial assets.

The Group's exposure to credit risk is influenced mainly by the characteristics of each customer. However, management also considers the demographics of the Group's customer base, including the default risk associated with the industry and country in which the customers operate, as these factors may have an influence on credit risk.

Expected credit loss assessment for customers

The Group uses a provision allowance matrix to measure the ECL of trade receivables and contract assets from customers.

The provision matrix is based on loss rates determined from actual credit loss experience over the past three years, current economic conditions and the Group's forecast of economic conditions over the receivables. These scalar factors are calculated using statistical models that determine numeric co-relation of loss rates with relevant economic variables.

Scalar factors are based on actual and forecasted gross domestic product and is in the range of -5.4% to 5.2% (2020: -6.0% to 3.9%) for overall market condition.

In measuring ECL, trade receivables and contract assets are grouped based on shared credit risk characteristics and days past due. The contract assets relate mainly to projects where the revenue has been accrued ahead of billings to customers, which have substantially the same risk characteristics as the trade receivables for the same type of contracts.

The Group has therefore concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the contract assets.

36 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

36.3 CREDIT RISK (CONTINUED)

Expected credit loss assessment for customers (Continued)

The following table provides information about the exposure to credit risk and ECLs for trade receivables and contract assets for customers under lifetime ECL approach:

The Group	Gross carrying amount $'000	Loss allowance provision $'000	Carrying values $'000
30 June 2021			
Neither past due nor impaired	65,865	410	65,455
Past due 1 - 30 days	96	2	94
Past due 31 - 90 days	44	3	41
Past due 91 - 180 days	256	14	242
More than 180 days	563	91	472
	66,824	520	66,304
30 June 2020			
Neither past due nor impaired	45,419	636	44,783
Past due 1 - 30 days	181	8	173
Past due 31 - 90 days	111	18	93
Past due 91 - 180 days	77	39	38
More than 180 days	928	273	655
	46,716	974	45,742

At the reporting date, the Group has recognised a reversal of allowance for ECL on contract assets and trade receivables of $247,000 (2020: additional allowance for ECL of $619,000) and $207,000 (2020: additional allowance for ECL of $355,000), respectively.

Amounts due from subsidiaries and joint venture company

At the end of the reporting date, the Company has assessed its subsidiaries' and joint venture company's financial performance to meet the contractual cash flow obligations and has provided expected credit loss allowance of $1,377,000 (2020 - $1,300,000) for non-trade amounts due from its subsidiaries.

The amounts due from the joint venture company are considered to be of low credit risk and subject to immaterial credit loss. Credit risk for the remaining amounts due from subsidiaries has not increased significantly since their initial recognition.

36 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

36.3 CREDIT RISK (CONTINUED)

Cash and bank balances

The Group and the Company held cash and bank balances of $898,000 (2020 - $3,514,000) and $25,000 (2020 - $73,000), respectively, at 30 June 2021. The bank balances are held with banks which are regulated.

Impairment on cash and bank balances has been measured on the 12-month expected loss basis and reflects the short maturities of the exposures. The Group considers that its cash and bank balances have low credit risk based on the external credit ratings of the counterparties. The amount of the allowance on cash and bank balances was negligible.

36.4 LIQUIDITY RISK

Liquidity risk is the risk that the Company or the Group will encounter difficulty in raising funds to meet commitments associated with financial instruments that are settled by delivering cash or another financial asset. Liquidity risk may result from an inability to sell a financial asset quickly at close to its fair value.

The Company's and the Group's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Company and the Group manage their liquidity risk by ensuring the availability of funding through an adequate amount of credit facilities from financial institutions.

The table below analyses the maturity profile of the Group's financial liabilities based on undiscounted cash flows and includes both interest and principal cash flows. The adjustment column represents the possible future cash flows attributable to the instruments included in the maturity analysis which are not included in the carrying amount of the financial liabilities on the statement of financial position:

The Group	On demand or within one year	Between two and five years	More than five years	Adjustments	Total
	$	$	$	$	$
At 30 June 2021					
Trade and other payables (excluding GST payables)	42,032	–	–	–	42,032
Borrowings	21,798	10,546	454	(669)	32,129
Lease liabilities	304	828	1,754	(707)	2,179
	64,134	11,374	2,208	(1,376)	76,340
At 30 June 2020					
Trade and other payables (excluding GST payables)	24,721	–	–	–	24,721
Borrowings	22,340	10,012	–	(737)	31,615
Lease liabilities	229	805	1,899	(775)	2,158
	47,290	10,817	1,899	(1,512)	58,494

36 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

36.4 LIQUIDITY RISK (CONTINUED)

The Company's financial liabilities are due within one year from the end of the reporting date. The maximum exposure of the Company in respect of the intra-group financial guarantee at the end of the reporting date is if the facility is drawn down by the subsidiaries in the amount of $ 21,557,000 (2020 - $21,386,000). At the end of the reporting date, the Company has considered it is not probable that a claim will be made against the Company under the intra-group financial guarantee. The Company has also evaluated and is of the view that both the fair values of the corporate guarantees and the consequential liabilities derived from its guarantees to the financial institutions with regard to the subsidiaries are not material. There is no significant difference in interest rates charged on secured loans to subsidiaries with or without the corporate guarantee from the Company.

The Company and the Group ensure that there are adequate funds to meet all its obligations in a timely and cost-effective manner.

37 CAPITAL MANAGEMENT

The Company's and the Group's objectives when managing capital are:

(a) To safeguard the Company's and the Group's ability to continue as a going concern;

(b) To support the Company's and the Group's stability and growth;

(c) To provide capital for the purpose of strengthening the Company's and the Group's risk management capability; and

(d) To provide an adequate return to shareholders.

The Company and the Group actively and regularly review and manage its capital structure to ensure optimal capital structure and shareholder returns, taking into consideration the future capital requirements of the Company and the Group and capital efficiency, prevailing and projected profitability, projected operating cash flows, projected capital expenditures and projected strategic investment opportunities. The Company and the Group currently do not adopt any formal dividend policy.

The capital structure of the Group consists of equity attributable to owner of the parent, comprising issued capital, reserves and retained profits.

The Company and the Group monitor capital using net debt to total capital ratio, which is net debt divided by total capital. Total capital is calculated as total equity plus net debt.

37 CAPITAL MANAGEMENT (CONTINUED)

	The Group		The Company	
	30 June 2021 $'000	30 June 2020 $'000	30 June 2021 $'000	30 June 2020 $'000
Borrowings	32,129	31,615	1,300	1,500
Lease liabilities	2,179	2,158	–	–
Trade and other payables	42,279	24,946	3,917	1,260
Cash and bank balances	(898)	(3,514)	(25)	(73)
Net debt	75,689	55,205	5,192	2,687
Equity attributable to owner of the parent	25,353	24,609	17,605	19,154
Total capital	101,042	79,814	22,797	21,841
Net debt to total capital	74.91%	69.17%	22.77%	12.30%

There were no changes in the Company's and the Group's approach to capital management during the financial year.

The Company and its subsidiaries are not subject to externally imposed capital requirements.

38 FINANCIAL INSTRUMENTS

ACCOUNTING CLASSIFICATIONS OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES

The carrying amounts of financial assets and financial liabilities in each category are as follows:

	The Group		The Company	
	30 June 2021 $'000	30 June 2020 $'000	30 June 2021 $'000	30 June 2020 $'000
Financial assets				
At amortised cost:				
Trade receivables	9,025	4,124	–	695
Other receivables	142	232	–	–
Amounts due from joint venture company	2,658	–	2,658	–
Deposits	750	789	–	–
Cash and bank balances	898	3,514	25	73
Amounts due from subsidiaries	–	–	2,663	4,082
	13,473	8,659	5,346	4,850
Financial liabilities				
At amortised cost:				
Trade payables	22,969	18,312	120	55
Other payables	11,749	2,922	3,552	921
Deposits	122	89	–	–
Accrued operating expenses	7,192	3,398	210	244
Borrowings	32,129	31,615	1,300	1,500
Lease liabilities	2,179	2,158	–	–
	76,340	58,494	5,182	2,720

39 FAIR VALUE MEASUREMENT

39.1 DEFINITION OF FAIR VALUE

SFRS(I)s define fair value as 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.

39.2 FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS

Financial assets and financial liabilities measured at fair value in the statements of financial position are grouped into three Levels of fair value hierarchy. The three Levels are defined based on the observability of significant inputs to the measurement, as follows:

- Level 1 : quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2 : inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly
- Level 3 : unobservable inputs for the asset or liability

Fair value of financial assets and financial liabilities that are not measured at fair value on a recurring basis (but fair value disclosures are required)

Except as detailed in the following table, management considers that the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the financial statements approximate their fair values at the end of the reporting date.

The carrying amounts of the bank loans, repayable within one year or less, or on demand approximate their fair value.

The fair value disclosure of lease liabilities is not required.

	2021		2020	
	Carrying amount	**Fair value**	**Carrying amount**	**Fair value**
The Group	**$'000**	**$'000**	**$'000**	**$'000**
Financial liabilities				
Non-current liabilities:				
Bank borrowings	10,666	10,195	9,514	9,627

39 FAIR VALUE MEASUREMENT (CONTINUED)

39.2 FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS (CONTINUED)

Reconciliation of Level 3 fair value measurement

The reconciliation for investment properties measured at fair value based on significant unobservable inputs (Level 3) is disclosed in Note 6.

Set-off of balances with subsidiaries (the Company)

The parties have arrangements to settle intercompany balances due to or due from each other on a net basis. The amounts of due to and due from subsidiaries that are set-off are as follows:

The Company	Gross carrying amounts $'000	Gross amounts offset in the statement of financial position $'000	Net amounts in the statement of financial position $'000
30 June 2021			
Amounts due from subsidiaries	10,420	(10,420)	–
Amounts due to subsidiaries	(12,321)	10,420	(1,901)
	(1,901)	–	(1,901)
30 June 2020			
Amounts due from subsidiaries	9,649	(8,954)	695
Amounts due to subsidiaries	(8,954)	8,954	–
	695	–	695

40 EVENTS AFTER THE REPORTING PERIOD

On 11 August 2021, the Company's wholly-owned subsidiary, Logistics Construction Pte. Ltd., was awarded a contract ("Contract") amounting to S$37.28 million by the Civil Aviation Authority of Singapore, for addition and alteration works to the existing Air Traffic Control Centre. The project is scheduled to commence on 16 August 2021 and is expected to be completed by 1Q2023.

On 20 October 2021, the Company has allotted and issued 111,375,000 Rights Shares. Following the allotment and issuance of the Rights Shares, the number of issued and paid-up Shares in the capital of the Company increased from 185,625,000 Shares to 297,000,000 Shares. The net proceeds from the issuance of the Rights Shares amounted to $1,837,455.

STATISTICS OF SHAREHOLDINGS

AS AT 25 OCTOBER 2021

SHARE CAPITAL

Issued and fully paid-up capital	:	S$19,513,025
No. of ordinary shares	:	297,000,000 shares
Class of shares	:	Ordinary shares
Voting rights	:	One vote for each ordinary share
Treasury shares and subsidiary holdings	:	Nil

DISTRIBUTION OF SHAREHOLDERS BY SIZE OF SHAREHOLDINGS AS AT 25 OCTOBER 2021

SIZE OF SHAREHOLDINGS	NO. OF SHAREHOLDERS	%	NO. OF SHARES	%
1 - 99	0	0.00	0	0.00
100 - 1,000	19	5.00	8,500	0.00
1,001 - 10,000	43	11.32	308,200	0.10
10,001 - 1,000,000	299	78.68	27,223,040	9.17
1,000,001 and above	19	5.00	269,460,260	90.73
TOTAL	380	100.00	297,000,000	100.00

TOP TWENTY LARGEST SHAREHOLDERS AS AT 25 OCTOBER 2021

	NAME OF SHAREHOLDER	NO. OF SHARES	% OF SHARES
1	YI INVESTMENT PTE LTD	144,930,080	48.80
2	TWINKLE INVESTMENT PTE LTD	24,381,280	8.21
3	ONG SIEW ENG	23,797,760	8.01
4	PHUA LAM SOON	23,522,560	7.92
5	UOB KAY HIAN PTE LTD	9,433,200	3.18
6	PHILLIP SECURITIES PTE LTD	8,099,420	2.73
7	TAN ENG CHUA EDWIN	6,312,280	2.13
8	ONG AH SIEW	4,103,200	1.38
9	TAN KENG PENG	3,961,000	1.33
10	MAYBANK KIM ENG SECURITIES PTE. LTD	3,125,200	1.05
11	BUK MUM FATT	2,785,000	0.94
12	LIM CHYE KIM	2,443,800	0.82
13	CHUA HOI TEK	2,272,000	0.76
14	LIM CHIN TONG	1,985,200	0.67
15	TAN ENG SENG	1,913,280	0.64
16	ASIAN TRUST INVESTMENT PTE LTD	1,780,000	0.60
17	TAN WEIREN VINCENT (CHEN WEIREN VINCENT)	1,600,000	0.54
18	NG HOON THIA	1,525,000	0.51
19	NG KOK SENG (HUANG GUOSHENG)	1,490,000	0.50
20	RAFFLES NOMINEES (PTE) LIMITED	929,700	0.31
Total:		270,389,960	91.03

STATISTICS OF SHAREHOLDINGS

AS AT 25 OCTOBER 2021

LIST OF SUBSTANTIAL SHAREHOLDERS AS AT 25 OCTOBER 2021

Name of Substantial Shareholders	Direct Interest	%	Deemed Interest	%
Yi Investment Pte. Ltd. (1)	144,930,080	48.80	–	–
Phua Lam Soon (1)(2)	23,522,560	7.92	168,727,840	56.81
Ong Siew Eng (1)(3)	23,797,760	8.01	168,452,640	56.72
Twinkle Investment Pte. Ltd.	24,381,280	8.21	–	–
Neo Kah Kiat (4)	–	–	24,381,280	8.21
Liew Oi Peng (4)	–	–	24,381,280	8.21

(1) Yi Investment Pte. Ltd. is an investment holding company incorporated in the Republic of Singapore and jointly owned by our CEO, Phua Lam Soon and our Executive Director, Ong Siew Eng. Accordingly, Phua Lam Soon and Ong Siew Eng are deemed to be interested in 144,930,080 shares of the Company held by Yi Investment Pte. Ltd.

(2) Our CEO, Phua Lam Soon, is the spouse of our Executive Director, Ong Siew Eng. Accordingly, Phua Lam Soon is deemed to be interested in 23,797,760 shares of the Company held by Ong Siew Eng.

(3) Our Executive Director, Ong Siew Eng, is the spouse of our CEO, Phua Lam Soon. Accordingly, Ong Siew Eng is deemed to be interested in 23,522,560 shares of the Company held by Phua Lam Soon.

(4) Neo Kah Kiat and his spouse, Liew Oi Peng, are deemed to be interested in the 24,381,280 ordinary shares of the Company held by Twinkle Investment Pte. Ltd. Neo Kah Kiat and Liew Oi Peng are directors and shareholders of Twinkle Investment Pte. Ltd..

SHAREHOLDINGS HELD IN THE HANDS OF PUBLIC

As at 25 October 2021, approximately 25.11% of the issued ordinary shares of the Company were held in the hands of the public based on the information available to the Company. Accordingly, the Company has complied with Rule 723 of the SGX-ST Listing Manual Section B: Rules of Catalist.

NOTICE OF
ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Annual General Meeting ("AGM") of Boldtek Holdings Limited (the "Company") will be held by way of electronic means on the 30 November 2021 at 10.00 a.m. for the following purposes:

AS ORDINARY BUSINESS

1. To receive and adopt the Audited Financial Statements of the Company and its subsidiaries for the financial year ended 30 June 2021 ("**FY2021**") together with the Directors' Statement and Auditors' Report thereon.

   (Resolution 1)

2. To approve the payment of Directors' Fees of S$138,600.00 for the financial year ending 30 June 2022, to be paid on a quarterly basis in arrears. (2021: S$138,600.00)

   (Resolution 2)

3. To re-elect Mr Pao Tiew Kee who is retiring under Regulation 107 of the Constitution, as Director of the Company.

   (Resolution 3)
   [See Explanatory Note (1)]

4. To re-elect Mr Chen Timothy Teck-Leng @ Chen Teck Leng who is retiring under Regulation 107 of the Constitution, as Director of the Company.

   (Resolution 4)
   [See Explanatory Note (1)]

5. That, subject to and contingent upon the passing of Resolution 3 by shareholders of the Company by appointing the Chairman of the Meeting as proxy to vote at the AGM and the passing of Resolution 6 by shareholders of the Company by appointing the Chairman of the Meeting as proxy to vote at the AGM, excluding the Directors and the Chief Executive Officer ("**CEO**") of the Company, and their respective associates: (a) the continued appointment of Mr Pao Kiew Tee ("**Mr Pao**") as an Independent Director, for purposes of Rule 406(3)(d)(iii)(A) of the Catalist Rules of the SGX-ST ("**Catalist Rules**") (which will take effect from 1 January 2022) be and is hereby approved; and (b) the authority conferred by this Resolution shall continue in force until the earlier of the following: (i) the retirement or resignation of Mr Pao as a Director; or (ii) the conclusion of the third AGM of the Company following the passing of this Resolution.

   (Resolution 5)
   [See Explanatory Note (2)]

6. That, subject to and contingent upon the passing of Resolution 3: (a) the continued appointment of Mr Pao, as an Independent Director, for purposes of Rule 406(3)(d)(iii)(B) of the Catalist Rules of the SGX-ST (which will take effect from 1 January 2022) be and is hereby approved; and (b) the authority conferred by this Resolution shall continue in force until the earlier of the following: (i) the retirement or resignation of Mr Pao as a Director; or (ii) the conclusion of the third AGM of the Company following the passing of this Resolution, provided that this Resolution shall only be proposed and voted upon if Resolution 5 is passed by shareholders of the Company by appointing the Chairman of the Meeting as proxy to vote at the AGM.

   (Resolution 6)
   [See Explanatory Note (2)]

   Mr Pao Kiew Tee will, upon re-election as an Independent Director of the Company remain as the Chairman of the Audit Committee and a member of the Nominating and Remuneration Committees and will be considered independent for the purposes of Rule 704(7) of the Catalist Rules of the SGX-ST.

7. That, subject to and contingent upon the passing of Resolution 4 by shareholders of the Company by appointing the Chairman of the Meeting as proxy to vote at the AGM and the passing of Resolution 8 by shareholders of the Company by appointing the Chairman of the Meeting as proxy to vote at the AGM, excluding the Directors and the CEO of the Company, and their respective associates: (a) the continued appointment of Mr Chen Timothy Teck-Leng ("**Mr Chen**"), as an Independent Director, for purposes of Rule 406(3)(d)(iii)(A) of the Catalist Rules of the SGX-ST (which will take effect from 1 January 2022) be and is hereby approved; and (b) the authority conferred by this Resolution shall continue in force until the earlier of the following: (i) the retirement or resignation of Mr Chen as a Director; or (ii) the conclusion of the third AGM of the Company following the passing of this Resolution.

(Resolution 7)
[See Explanatory Note (2)]

8. That, subject to and contingent upon the passing of Resolution 4: (a) the continued appointment of Mr Chen, as an Independent Director, for purposes of Rule 406(3)(d)(iii)(B) of the Catalist Rules of the SGX-ST (which will take effect from 1 January 2022) be and is hereby approved; and (b) the authority conferred by this Resolution shall continue in force until the earlier of the following: (i) the retirement or resignation of Mr Chen as a Director; or (ii) the conclusion of the third AGM of the Company following the passing of this Resolution, provided that this Resolution shall only be proposed and voted upon if Resolution 7 is passed by shareholders of the Company by appointing the Chairman of the Meeting as proxy to vote at the AGM.

(Resolution 8)
[See Explanatory Note (2)]

Mr Chen will, upon re-election as an Independent Director of the Company remain as the Chairman of the Remuneration and Nominating Committees and a member of the Audit Committee and will be considered independent for the purposes of Rule 704(7) of the Catalist Rules of the SGX-ST.

9. To re-appoint Messrs Foo Kon Tan LLP as the Company's Auditors and to authorise the Directors to fix their remuneration.
(Resolution 9)

10. To transact any other ordinary business that may be properly transacted at an annual general meeting.

AS SPECIAL BUSINESS

To consider and, if thought fit, to pass the following resolutions as an Ordinary Resolution with or without modifications:-

11. **AUTHORITY TO ALLOT AND ISSUE SHARES IN THE CAPITAL OF THE COMPANY (THE "SHARE ISSUE MANDATE")**

That pursuant to the provisions of Section 161 of the Companies Act, Cap. 50 of Singapore (the "**Act**") and Rule 806 of the Catalist Rules of the SGX-ST, the Directors be and are hereby authorised and empowered to:

(a) (i) allot and issue shares 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 persons as the Directors of the Company may, in their absolute discretion deem fit; and

(b) notwithstanding that the authority conferred by this Resolution may have ceased to be in force, issue Shares in pursuance of any Instrument made or granted by the Directors while this Resolution is in force,

provided that:-

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

(ii) (subject to such manner of calculation 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 (i) above, the percentage of the total number of issued Shares (excluding treasury shares and subsidiary holdings, if any) shall be based on the total number of issued Shares (excluding treasury shares and subsidiary holdings, if any) in the capital of the Company at the time of passing of this Resolution, after adjusting for:-

(1) new Shares arising from the conversion or exercise of any Instruments or any convertible securities;

(2) new Shares arising from exercising of share options or vesting of share awards; and

(3) any subsequent bonus issue, consolidation or sub-division of Shares.

Adjustments in accordance with (b)(i)(1) or (b)(ii)(2) above are only to be made in respect of new shares arising from convertible securities, share options or share awards which were issued and outstanding or subsisting at the time of the passing of this Resolution.

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

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

(Resolution 10)
[See Explanatory Note (3)]

12. **AUTHORITY TO ISSUE SHARES UNDER THE BOLDTEK EMPLOYEE SHARE OPTION SCHEME**

That the Directors of the Company be authorised and empowered to offer and grant options in accordance with the provisions of Boldtek Employee Share Option Scheme (the "Scheme") and to allot and issue and/or deliver from time to time such number of fully paid-up Shares as may be required to be issued or delivered pursuant to the exercise of options provided that the aggregate number of Shares available pursuant to the Scheme and such other share-based schemes of the Company, shall not exceed 15% of the total issued Shares of the Company (excluding any treasury shares and subsidiary holdings) from time to time and that such authority shall, unless revoked or varied by the Company in a general meeting, continue 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.

(Resolution 11)
[See Explanatory Note (4)]

BY ORDER OF THE BOARD

Pao Kiew Tee
Non-Executive Chairman & Independent Director

15 November 2021

Explanatory Notes:

(1) Please refer to the sections entitled "Board of Directors" and "Disclosure of Information on Directors Seeking Re-election" in the annual report for the financial year ended 30 June 2021 for information on Mr Pao Kiew Tee and Mr Chen Timothy Teck-Leng @ Chen Teck Leng.

(2) The proposed ordinary resolutions 5, 6, 7 and 8 are to seek approval from the shareholders via a Two-Tier Voting process for Mr Pao and Mr Chen to continue in office as an Independent Directors of the Company for a three-year term, with effect from the passing of these resolutions proposed at the forthcoming AGM, until the conclusion of the third annual general meeting of the Company following the passing of these resolutions or their retirement or resignation, whichever the earlier. Otherwise, they will continue to serve as Independent Directors of the Company until the earlier of their retirement or resignation, or 31 December 2021.

The Board seeks to strike an appropriate balance between tenure of service, continuity of experience and refreshment of the Board. Such refreshment process of the Board will take some time and cannot happen overnight in order to maintain stability to the Board. Furthermore, the Company benefits from such Director who has, over time, gained valuable insights into the Group, its market and the industry.

The Nominating Committee and the Board have determined that Mr Pao and Mr Chen remain objective and independent minded in Board deliberations. Their vast experience enable them to provide the Board and the various Board Committees on which they serve, with pertinent experience and competence to facilitate sound decision-making and that their length of service do not in any way interfere with their exercise of independent judgment nor hinder their ability to act in the best interests of the Company. Additionally, both Mr Pao and Mr Chen fulfil the definition of Independent Directors under the Catalist Rules of the SGX-ST and the Code of Corporate Governance. More importantly, the Board trust that both Mr Pao and Mr Chen are able to continue to discharge their duties independently with integrity and competency.

(3) The Ordinary Resolution 10 proposed in item 11 above, if passed, will empower the Directors from the date of the above annual general meeting until the date 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 or such authority is varied or revoked by the Company in a general meeting, whichever is the earlier, to allot and issue Shares and/or convertible securities in the Company. The aggregate number of Shares and convertible securities, which the Directors may allot and issue under this Resolution shall not exceed one hundred per cent (100%) of the total number of issued Shares (excluding treasury shares) of the Company at the time of passing this Resolution. For allotment and issue of Shares and convertible securities other than on a pro-rata basis to all shareholders of the Company, the aggregate number of Shares and convertible securities to be allotted and issued shall not exceed fifty per cent (50%) of the total number of issued Shares (excluding treasury shares) of the Company at the time of passing this Resolution.

(4) The Ordinary Resolution 11 proposed in item 12 above, if passed, will empower the Directors of the Company, from date of this Annual General Meeting until 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 or such authority is varied or revoked by the Company in a general meeting, whichever is the earlier, to issue shares in the Company pursuant to the exercise of options granted or to be granted under the Scheme and such other share-based incentive scheme up to a number not exceeding in total (for the entire duration of the Scheme) 15% of the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company from time to time.

NOTICE OF
ANNUAL GENERAL MEETING

PLEASE READ THE FOLLOWING NOTES AND THE EXPLANATIONS OF THE RESOLUTIONS BEFORE DECIDING HOW TO VOTE.

APPOINTMENT OF PROXY AND VOTING

(a) Attendance in Person

In compliance with the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020, and as amended by COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) (Amendments No. 2 & 3) Order 2020 (the "**Order**"), the AGM will be conducted by electronic means and Shareholders will not be able to attend the AGM physically.

All Shareholders or their corporate representatives (in the case of Shareholders which are legal entities) will be able to participate in the AGM proceedings by watching a "live" webcast (the "**Live AGM Webcast**") or listen to a "live" audio feed (the "**Live AGM Audio Feed**").

Shareholders who wish to participate in the AGM proceedings through the Live AGM Webcast or Live AGM Audio Feed via their mobile phones, tablets or computers must pre-register at https://rebrand.ly/Boldtek-Holdings-Limited-GM-2021 by 10.00 a.m. on 28 November 2021 (the "**Registration Deadline**") to enable the Company to verify their status.

Following the verification, authenticated Shareholders will receive an email by 29 November 2021, and will be able to access the Live AGM Webcast or Live AGM Audio Feed by clicking on the link in the email and entering the user ID and password.

Shareholders who register by the Registration Deadline but do not receive an email response by 10.00 a.m. on 29 November 2021 may contact via email at boldtekagm@logistics99.com.sg, with the full name of the shareholder and his/her identification number.

(b) Voting solely via appointing Chairman of the Meeting as Proxy

In compliance with the Order, a Shareholder who wishes to vote at the Meeting can only do so by appointing the Chairman of the Meeting to act as his/her proxy to vote on his/her behalf in respect of all the Shares held by him/her. In the Proxy Form, a Shareholder should specifically direct the proxy on how he/she is to vote for or vote against (or abstain from voting on) the resolutions to be tabled at the Meeting. In the absence of specific directions in respect of a resolution, the appointment of the Chairman of the Meeting as proxy for that resolution will be treated as invalid. All valid votes cast via proxy on each resolution will be counted.

(c) Investors who hold through Relevant Intermediaries (including SRS Investors)

Investors holding Shares through relevant intermediaries (as defined under Section 181 of the Companies Act (Chapter 50 of Singapore))(including SRS investors), should not use the Proxy Form and should contact their relevant intermediaries as soon as possible to specify voting instructions. CPF/SRS investors who wish to vote should approach their respective CPF Agent Banks / SRS Operators at least seven (7) working days before the AGM (i.e. by 3.00 p.m., 18 November 2021) in order to allow sufficient time for their respective intermediaries to in turn submit a proxy form to appoint the Chairman of the Meeting to vote on their behalf by the cut-off date. Other investors holding shares through other relevant intermediaries who wish to vote should approach his/her relevant intermediary as soon as possible to specify voting instructions.

(d) The instrument appointing a proxy must be deposited (i) by post to the office of the Company's Share Registrar, Tricor Barbinder Share Registration Services, 80 Robinson Road #11-02, Singapore 068898 or (ii) by email to boldtekagm@logistics99.com.sg by enclosing a clear scanned completed and signed Proxy Form and must be received by the Company not less than 48 hours before the time appointed for holding the AGM.

(e) Access to documents or information relating to the AGM

In accordance with the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020, all documents and information relating to the business of the AGM (including the Annual Report and the Proxy Form) have been published on Company's website at https://www.boldtekholdings.com/ and on the SGXNet at https://www.sgx.com/securities/company-announcements.

(f) Further updates

In view of the evolving COVID-19 situation, the Company reserves the right to take such further precautionary measures as may be appropriate up to the date of the AGM, including any precautionary measures required or recommended by government agencies, in order to curb the spread of COVID-19. Shareholders should continually check for announcements by the Company for updates on the AGM. The Company would like to thank all shareholders for their patience and co-operation in enabling the Company to continue holding its AGM amidst the COVID-19 situation.

(g) Personal data privacy

By (i) submitting an instrument appointing the Chairman of the AGM as a proxy to vote at the AGM and/or any adjournment thereof, (ii) completing the registration form for the AGM Live Webcast in accordance with this Notice, or (iii) submitting any question(s) prior to the AGM in accordance with this Notice, a member of the Company:

(A) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the following purposes:

(aa) the processing and administration by the Company (or its agents or service providers) of proxy forms appointing the Chairman of the AGM as a proxy for the AGM (including any adjournment thereof);

(bb) the verification, preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof) recordings and transmitting images and/or voice recordings when broadcasting the AGM proceedings through webcast and providing any technical assistance where necessary;

(cc) addressing relevant and substantial questions from members received before the AGM and if necessary, following up with the relevant members in relation to such questions; and

(dd) enabling the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines,

(collectively, the "**Purposes**");

(B) 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

(C) 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.

DISCLOSURE OF INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Mr Pao Kiew Tee and Mr Chen Timothy Teck-Leng @ Chen Teck Leng are the Directors seeking re-election at the forthcoming Annual General Meeting of the Company to be convened on 30 November 2021 ("**AGM**") (collectively, the "**Retiring Directors**" and each a "**Retiring Director**").

Pursuant to Rule 720(5) of the Catalist Rules of the SGX-ST, the following is the information relating to the Retiring Director as set out in Appendix 7F to the Catalist Rules:

	MR PAO KIEW TEE	**MR CHEN TIMOTHY TECK-LENG @ CHEN TECK LENG**
Date of Appointment	24 December 2012	24 December 2012
Date of last re-appointment	20 October 2018	20 October 2018
Age	70	67
Country of principal residence	Singapore	Singapore
The Board's comments on this appointment (including rationale, selection criteria, and the search and nomination process)	The Board of Directors of the Company has considered, among others, the recommendation of the Nominating Committee ("**NC**") and has reviewed and considered the contribution and performance, attendance, preparedness, participation, candour and suitability of Mr Pao Kiew Tee for re-appointment as Non-Executive Independent Director of the Company. The Board have reviewed and concluded that Mr Pao Kiew Tee possesses the experience, expertise, knowledge and skills to contribute towards the core competencies of the Board.	The Board of Directors of the Company has considered, among others, the recommendation of the Nominating Committee ("**NC**") and has reviewed and considered the qualification, work experiences, contribution and performance, attendance, preparedness, participation, candour and suitability of Mr Chen Timothy Teck-Leng @ Chen Teck Leng for re-appointment as a Non-Executive Independent Director of the Company. The Board have reviewed and concluded that Mr Chen Timothy Teck-Leng @ Chen Teck Leng possesses the experience, expertise, knowledge and skills to contribute towards the core competencies of the Board.
Whether appointment is executive, and if so, the area of responsibility	Non-Executive Independent	Non -Executive Independent
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	Non-Executive Independent Chairman, Chairman of the Audit Committee and a member of the Remuneration and Nominating Committees.	Non-Executive Independent Director, a member of the Audit Committee and Chairman of the Remuneration and Nominating Committees
Professional qualifications	Bachelor of Commerce (Accounting) degree from University of Otago, Dunedin, Zew Zealand and a Life Member of the Institute of Singapore Chartered Accountants ("ISCA") and a member of the Singapore Institute of Directors.	Bachelor of Science degree from University of Tennessee, Master of Business Administration degree from Ohio State University and is a Certified Corporate Director (ICD.D) designation from the Canadian Institute of Corporate Directors.

DISCLOSURE OF INFORMATION ON DIRECTORS SEEKING RE-ELECTION

	MR PAO KIEW TEE	MR CHEN TIMOTHY TECK-LENG @ CHEN TECK LENG
Working experience and occupation(s) during the past 10 years	Mr Pao was a senior government auditor. The last post he held before his retirement in July 2016, after serving the Civil Service for 37 years, was Senior Group Director. As a senior government auditor, he was the overall in charge of a group responsible for carrying out financial statements and operation audits of government ministries and statutory boards. Prior to joining the Singapore Government, he was with two accounting firms in New Zealand between October 1976 and September 1978. From March 1975 to September 1976, he worked as an analyst for the Commercial Bank of Australia in New Zealand.	Mr. Chen has more than three decades of management experience in banking, insurance, investment funds and corporate advisory work. He has held positions in Bank of America, Wells Fargo Bank, Bank of Nova Scotia and Sun Life Financial Inc.. He was formerly the General Manager, China for Sun Life Financial Inc. and the President & CEO of Sunlife Everbright Life Insurance Company in China.
Shareholding interest in the listed issuer and its subsidiaries	Nil	Nil
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	No	No
Conflict of Interest (including any competing business)	No	No
Undertaking (in the format set out in Appendix 7.H) under Rule 720(1) has been submitted to the listed issuer	Yes	Yes
Other Principal Commitments* Including Directorships#	Wong Fong Industries Limited Mary Chia Holdings Limited	Yangzijiang Shipbuilding (Holdings) Ltd. Tye Soon Limited
Past (for the last 5 years)	New Silkroutes Group Limited	Sysma Holdings Limited TMC Education Corporation Ltd (now known as Global Dragon Limited) Tianjin Zhong Xin Pharmaceutical Group Corporation Limited
Present	Wong Fong Industries Limited Mary Chia Holdings Limited	Yangzijiang Shipbuilding (Holdings) Ltd. Tye Soon Limited

DISCLOSURE OF INFORMATION ON DIRECTORS SEEKING RE-ELECTION

	MR PAO KIEW TEE	MR CHEN TIMOTHY TECK-LENG @ CHEN TECK LENG
Disclose the following matters concerning an appointment of director, chief executive officer, chief financial officer, chief operating officer, general manager or other officer of equivalent rank. If the answer to any question is "yes", full details must be given.		
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 or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?	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 was a director or an equivalent person or a key executive, at the time when he 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 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
c) Whether there is any unsatisfied judgment against him?	No	No

DISCLOSURE OF INFORMATION ON DIRECTORS SEEKING RE-ELECTION

	MR PAO KIEW TEE	MR CHEN TIMOTHY TECK-LENG @ CHEN TECK LENG
d) Whether he 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 is aware) for such purpose?	No	No
e) Whether he 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 is aware) for such breach?	No	No
f) Whether at any time during the last 10 years, judgment has been entered against him 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 part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part?	No	No

	MR PAO KIEW TEE	MR CHEN TIMOTHY TECK-LENG @ CHEN TECK LENG
g) Whether he 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
h) Whether he 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
i) Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?	No	No

	MR PAO KIEW TEE	MR CHEN TIMOTHY TECK-LENG @ CHEN TECK LENG
j) Whether he has ever, to his 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 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
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 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 in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?	No	No

DISCLOSURE OF INFORMATION ON DIRECTORS SEEKING RE-ELECTION

	MR PAO KIEW TEE	MR CHEN TIMOTHY TECK-LENG @ CHEN TECK LENG
k) Whether he 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
Disclosure applicable to the appointment of Director only		
Any prior experience as a director of a listed company? If yes, please provide details of prior experience. 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. Please provide details of relevant experience and the nominating committee's reasons for not requiring the director to undergo training as prescribed by the Exchange (if applicable).	N.A.	N.A.

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BOLDTEK HOLDINGS LIMITED
(Incorporated in the Republic of Singapore)
(Company Registration No. 201224643D)

PROXY FORM
ANNUAL GENERAL MEETING

IMPORTANT:
1. The Annual General Meeting ("**AGM**") will be held by electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020, and as amended by COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) (Amendments No. 2 & 3) Order 2020 (the "**Order**").
2. Pursuant to the Order, the Company will implement alternative arrangements relating to attendance at the AGM by electronic means (including arrangements by which the meeting can be electronically accessed via live audio-visual webcast or audio-only means), submission of questions to the Chairman of the Meeting in advance of the AGM, addressing of substantial and relevant questions at the AGM and voting by appointing the Chairman of the AGM as proxy at the AGM, are set out in the Company's announcement dated 15 November 2021. The announcement may be accessed at the SGX website at https://www.sgx.com/securities/company-announcements.
3. **Due to the current COVID-19 restriction orders in Singapore, a member will not be able to attend the AGM in person. A member (whether individual or corporate) must appoint the Chairman of the Meeting as his/her/its proxy to vote on his/her/its behalf at the AGM if such member wishes to exercise his/her/its voting rights at the AGM**.
4. For investors who have used their CPF monies to buy shares in the Company, this proxy form is not valid for use and shall be ineffective for all intents and purposes if used or purported to be used by them.
5. CPF or SRS investors who wish to appoint the Chairman of the Meeting as proxy should approach their respective CPF Agent Banks or SRS Operators to submit their votes at least 7 working days before the AGM by 10.00 a.m. on 18 November 2021.
6. By submitting an instrument appointing the Chairman of the Meeting as proxy, completing the registration form for the AGM live webcast, or submitting any questions to the Company prior to the AGM, the member accepts and agrees to the personal data privacy terms set out in the Notice of AGM dated 15 November 2021 which may be accessed at the SGX website at https://www.sgx.com/securities/company-announcements.
7. **Please read the notes overleaf which contain instructions on, *inter alia*, the appointment of the Chairman of the Meeting as a member's proxy to vote on his/her/its behalf at the Annual General Meeting.**

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

of ____ *(Address)*

being a member/members of Boldtek Holdings Limited (the "**Company**"), hereby appoint the Chairman of the Meeting as *my/our *proxy/ proxies to vote for *me/us on *my/our behalf at the Annual General Meeting of the Company to be held by way of electronic means on 30 November 2021 at 10.00 a.m. and at any adjournment thereof.

No.	Resolutions relating to:	For*	Against*	Abstain*
	Ordinary Business			
1.	Adoption of Audited Accounts, Directors' Report and Auditors' Report for the financial year ended 30 June 2021.			
2.	Approval for the payment of Directors' Fees amounting to S$138,600 for the financial year ending 30 June 2022, to be paid on a quarterly basis in arrears.			
3.	Re-election of Mr Pao Kiew Tee as a Director of the Company.			
4.	Re-election of Mr Chen Timothy Teck-Leng@ Chen Teck Leng a Director of the Company.			
5.	Approval for the continued appointment of Mr Pao Kiew Tee, as an Independent Director, for purposes of Rule 406(3)(d)(iii)(A) of the Catalist Rules of the SGX-ST (which will take effect from 1 January 2022)			
6.	Approval for the continued appointment of Mr Pao Kiew Tee, as an Independent Director, for purposes of Rule 406(3)(d)(iii)(B) of the Catalist Rules of the SGX-ST (which will take effect from 1 January 2022)			
7.	Approval for the continued appointment of Mr Chen Timothy Teck-Leng@ Chen Teck Leng, as an Independent Director, for purposes of Rule 406(3)(d)(iii)(A) of the Catalist Rule of the SGXST (which will take effect from 1 January 2022)			
8.	Approval for the continued appointment of Mr Chen Timothy Teck-Leng@ Chen Teck Leng, as an Independent Director, for purposes of Rule 406(3)(d)(iii)(A) of the Catalist Rules of the SGX-ST (which will take effect from 1 January 2022)			
9.	Re-appointment of Messrs Foo Kon Tan LLP as Auditors of the Company and to authorise the Directors to fix their remuneration.			
	SPECIAL BUSINESS			
10.	Authority to allot and issue new shares pursuant to Section 161 of the Companies Act, Cap. 50 of Singapore.			
11.	Authority to issue shares under the Boldtek Employee Share Option Scheme.			

(*Please indicate your vote "For", "Against" or "Abstain" with an "X" within the box provided. Alternatively, please indicate the number of votes "For" or "Against" within the box provided. If you wish the Chairman of the Meeting as your proxy to "Abstain" from voting on a resolution, please indicate "X" in the "Abstain" box in respect of that resolution. Alternatively, please indicate the number of shares that the Chairman of the Meeting as your proxy is directed to abstain from voting in that resolution. In the absence of specific directions in respect of a resolution, the appointment of the Chairman of the Meeting as your proxy for that resolution will be treated as invalid.)

Dated this__________day of___________2021

Total Number of Shares in:	**No. of Shares**
CDP Register	
Register of Members	

....
Signature(s) of Shareholder(s)
Or, Common Seal of Corporate Shareholder

IMPORTANT: PLEASE READ NOTES OVERLEAF.

Notes:

1. If the member has shares entered against his name in the Depository Register (maintained by The Central Depositary (Pte) Limited), he should insert that number of shares. If the member has shares registered in his name in the Register of Members (maintained by or on behalf of the Company), he should insert that number of shares. If the member has shares entered against his name in the Depository Register and shares registered in his name in the Register of Members, he should insert the aggregate number. If no number is inserted, this form of proxy will be deemed to relate to all the shares held by the member.

2. Due to the current COVID-19 restriction orders in Singapore, a member will not be able to attend the AGM in person. A member (whether individual or corporate) must appoint the Chairman of the Meeting as his/her/its proxy to vote on his/her/its behalf at the AGM if such member wishes to exercise his/her/its voting rights at the AGM. Please note that a member may not vote at the AGM otherwise than by way of appointing the Chairman of the Meeting as the member's proxy.

   Where a member (whether individual or corporate) appoints the Chairman of the Meeting as his/her/its proxy, he/she/it must give specific instructions as to voting, or abstentions from voting, in respect of a resolution in the proxy form, failing which the appointment of the Chairman of the Meeting as proxy for that resolution will be treated as invalid.

3. A member who is a relevant intermediary entitled to vote at the AGM must appoint the Chairman of the AGM to vote at the AGM instead of the member.

   "Relevant intermediary" means:

   (i) a banking corporation licensed under the Banking Act, Chapter 19 of Singapore or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity;

   (ii) a person holding a capital markets services licence to provide custodial services for securities under the Securities and Future Act, Chapter 289 of Singapore and who holds shares in that capacity; or

   (iii) the Central Provident Fund Board established by the Central Provident Fund Act, Chapter 36 of Singapore, in respect of shares purchased under the subsidiary legislation made under that Central Provident Fund Act, Chapter 36 of Singapore, providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.

   CPF/SRS investors who wish to appoint the Chairman of the Meeting as proxy should approach their respective CPF Agent Banks or SRS Operators to submit their votes at least 7 working days before the AGM by 10.00 a.m. on 18 November 2021.

4. The Chairman of the Meeting, as proxy, need not be a member of the Company.

5. The instrument appointing the Chairman of the Meeting as proxy must be submitted to the Company in the following manner:

   (i) if submitted electronically, be submitted via email to boldtekagm@logistics99.com.sg; or

   (ii) if submitted by post, be lodged with the office of the Company's Share Registrar, Tricor Barbinder Share Registration Services, 80 Robinson Road #11-02 Singapore 068898.

   in either case, by no later than **28 November 2021, 10.00 a.m.**, being at least 48 hours before the time for holding the AGM.

   A member who wishes to submit an instrument of proxy must first download, complete and sign the proxy form, before scanning and sending it by email to the email address provided above, or submitting it by post to the address provided above.

   In view of the current COVID-19 situation and the related safe distancing measures which may make it difficult for shareholders to submit completed proxy forms by post, shareholders are strongly encouraged to submit completed proxy forms electronically via email.

6. The instrument appointing the Chairman of the Meeting as proxy must be under the hand of the appointer or his attorney duly authorised in writing. Where the instrument appointing the Chairman of Meeting as proxy is executed by a corporation, it must be executed either under its common seal or under the hand of its authorised officer(s) or its attorney duly authorised.

7. Where an instrument appointing the Chairman of the Meeting as proxy is signed on behalf of the appointor by an attorney, the letter or power of attorney or a duly certified copy thereof must (failing previous registration with the Company) if the instrument appointing the Chairman of the Meeting as proxy is submitted by post, be lodged with the instrument of proxy, if the instrument appointing the Chairman of the Meeting as proxy is submitted electronically via email, be emailed with the instrument of proxy, failing which the instrument may be treated as invalid.

8. The Company shall be entitled to reject an instrument appointing the Chairman of the Meeting as proxy if it is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified on the instrument appointing Chairman of the Meeting as proxy (including any related attachment). In addition, in the case of members whose shares entered against their names in the Depository Register, the Company may reject an instrument appointing the Chairman of the Meeting as proxy lodged or submitted if such members are not shown to have shares against their names in the Depository Register as at 72 hours before the time appointed for holding the meeting, as certified by The Central Depository (Pte) Limited to the Company.

9. Members should take note that once this proxy form is submitted electronically via email to boldtekagm@logistics99.com.sg or lodged with the Company's Share Registrar, they cannot change their vote as indicated in the box provided above.

BOLDTEK HOLDINGS LIMITED
Company Registration No. 201224643D
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