C&N Holdings Limited
春能控股有限公司*

Incorporated in the Cayman Islands with limited liability
Stock Code: 8430

Annual Report **2017**

* For identification purpose only

CHARACTERISTICS OF GEM OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE "STOCK EXCHANGE")

GEM has been positioned as a market designed to accommodate small and mid-sized companies to which a higher investment risk may be attached than other companies listed on the Main Board. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration.

Given that the companies listed on GEM are generally small and mid-sized companies, there is a risk that securities traded on GEM may be more susceptible to higher market volatility than securities traded on the Main Board and no assurance is given that there will be a liquid market in the securities traded on GEM.

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This report, for which the directors (the "Directors") of C&N Holdings Limited (the "Company") collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the GEM of the Stock Exchange (the "GEM Listing Rules") for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief (1) the information contained in this report is accurate and complete in all material respects and not misleading and deceptive; (2) there are no other matters the omission of which would make any statement herein or this report misleading; (3) all opinions expressed in this report have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.

The original report is prepared in the English language. This report is translated into Chinese. In the event of any inconsistencies between the Chinese and the English version, the latter shall prevail.

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EXECUTIVE DIRECTORS
Mr. Chua Kang Lim
Ms. Chua Sui Feng

INDEPENDENT NON-EXECUTIVE DIRECTORS
Mr. Dax Teo Tak Sin
Mr. Kwong Choong Kuen
Ms. Grace Choong Mai Foong

COMPANY SECRETARY
Mr. Chang Man Leong

AUTHORISED REPRESENTATIVES
(for the purposes of the GEM Listing Rules)
Mr. Chua Kang Lim
Mr. Chang Man Leong

AUTHORISED REPRESENTATIVES
(for the purposes of the Companies Ordinance)
Mr. Chang Man Leong

AUDIT COMMITTEE
Mr. Kwong Choong Kuen *(Chairman)*
Mr. Dax Teo Tak Sin
Ms. Grace Choong Mai Foong

REMUNERATION COMMITTEE
Mr. Dax Teo Tak Sin *(Chairman)*
Mr. Kwong Choong Kuen
Ms. Grace Choong Mai Foong

NOMINATION COMMITTEE
Ms. Grace Choong Mai Foong *(Chairwoman)*
Mr. Dax Teo Tak Sin
Mr. Kwong Choong Kuen

REGISTERED OFFICE
Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1–1111, Cayman Islands

HEADQUARTERS AND PRINCIPAL PLACE OF BUSINESS
3 Soon Lee Street #06–03, Pioneer Junction, Singapore 627606

PRINCIPAL PLACE OF BUSINESS IN HONG KONG
19th Floor, Prosperity Tower 39, Queen's Road Central, Central, Hong Kong

Corporate Information

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Conyers Trust Company (Cayman) Limited
Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1–1111, Cayman Islands

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Union Registrars Limited
Suites 3301–04, 33/F. Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong

AUDITORS

Ernst & Young
Certified Public Accountants
22/F, CITIC Tower, 1 Tim Mei Avenue, Central, Hong Kong

COMPLIANCE ADVISER

Vinco Capital Limited
Units 4909–4910 49/F, The Center, 99 Queen's Road, Central, Hong Kong

PRINCIPAL BANKER

DBS Bank Ltd
12 Marina Bay Boulevard, Level 3 Marina Bay Financial Centre Tower 3, Singapore 018982

COMPANY WEBSITE

www.cnlimited.com

STOCK CODE

8430

TO OUR SHAREHOLDERS

On behalf of the board (the "Board") of directors (the "Directors") of C&N Holdings Limited (the "Company", together with its subsidiaries, the "Group"), I present the annual results of the Group for the year ended 31 December 2017, together with the comparative figures for the year ended 31 December 2016.

The issued shares of the Company (the "Shares") have successfully been listed on GEM of the Stock Exchange of Hong Kong Limited (the "Stock Exchange") since 18 October 2017 (the "Listing" and the "Listing Date", respectively). The Group is in a stronger financial position with the net proceeds from the Listing to implement its business strategies, and the status of a listed company has also enhanced its brand image and obtained a wider public recognition.

REVIEW

Our Group's revenue comprised of revenue from provision of transport and storage services to the logistics industry in Singapore. For the year ended 31 December 2017, the revenue of the Group increased by approximately S$3,813,000 or approximately 14.1% to approximately S$30,822,000 compared to the year ended 31 December 2016. The growth was mainly attributable to the Group securing new customers in 2017, and also obtaining new projects from existing customers.

The Group recorded a loss for the year of approximately S$406,000 for the year ended 31 December 2017 mainly due to the recognition of significant non-recurring listing expenses amounting to approximately S$3,108,000. If the one-off listing expenses were excluded, the Group would have recorded a profit for the year ended 31 December 2017 of approximately S$2,702,000, which is lower than the profit for the year ended 31 December 2016 as a result of higher administrative expenses, in particular staff costs and compliance expenses incurred after the Listing.

PROSPECTS

Looking forward to the coming year, the Group will continue to focus on strengthening its market position for the logistics industry in Singapore. With the Group's experienced management team and reputation in the market, the Group is confident that we can achieve sustained revenue growth and generate positive returns for shareholders notwithstanding challenging economic conditions ahead.

APPRECIATION

This is a very significant year for the Group's development as we were successfully listed on GEM. On behalf of the Board, I would like to express our gratitude to business partners, customers, professional parties, management and staff for their support, hard work and dedication throughout the year, especially during the preparation process of the Listing.

Chua Kang Lim
Chairman, executive Director and chief executive officer
21 March 2018

BUSINESS REVIEW

The Group is a provider of transport and storage services to the logistics industry in Singapore. We offer trucking and hubbing services to our customers. Trucking services refer to the delivery of cargo, primarily containers, from our customers' designated pick up point to their designated delivery point. Hubbing services refer to the handling and storage of laden and empty containers at our logistics yard or other locations designated by our customer(s).

Led by our experienced management team, we have developed a reputation as a reliable transport and hubbing services provider equipped with a large vehicle fleet that is capable of handling large volumes of customer orders.

The Shares were successfully listed on GEM on 18 October 2017 (the "Listing").

FINANCIAL REVIEW

Revenue

Our Group's revenue comprised of revenue from provision of transport and hubbing services to the logistics industry in Singapore. For the year ended 31 December 2017, the revenue of the Group increased by approximately S$3,813,000 or approximately 14.1% to approximately S$30,822,000 compared to the year ended 31 December 2016. The growth was mainly attributable to the Group securing new customers in 2017, and also obtaining new projects from existing customers. The following table sets forth the revenue of our Group by revenue type for the periods indicated:

	2017		2016	
	S$'000	**%**	*S$'000*	%
Trucking services	**25,620**	**83.1**	22,055	81.7
Hubbing services	**5,202**	**16.9**	4,954	18.3
	30,822	**100.0**	27,009	100.0

Revenue from trucking services

Revenue from trucking services increased by approximately S$3,565,000 to S$25,620,000 for the year ended 31 December 2017, representing a 16.2% increase. The increase is mainly due to the Group securing new customers in the first half of 2017, and also obtaining new projects from existing customers. The Group had a strong Q2 and Q3 in 2017, before seeing a slowdown in business in Q4 with the global oil production cut, resulting in lesser production of refinery by-products resin. As a few of the Group's major customers are in the resin business, our business volume was in-turn affected.

Revenue from hubbing services

Revenue from hubbing services increased by 5.0% or approximately S$248,000. It is common for customers to request for us to truck the containers, and also provide storage space for these containers while waiting for vessels to arrive at port before we can truck the containers over for loading. Customers that require hubbing services are generally those whom have large volume in the import and export of goods, mainly including freight forwarders and global logistics companies. Hence if there is an increase in our provision of trucking services, provision of hubbing services will increase accordingly.

However, the increase in hubbing revenue will not be proportionate to the increase in trucking revenue due to the following reasons: (i) different customers and different job orders may have different service requirement, such as different sizes of containers and number of storage days, hence revenue earned will differ; and (ii) not all our customers require hubbing services.

Gross Profit

The overall gross profit increased from approximately S$6,246,000 for the year ended 31 December 2016 to approximately S$6,835,000 for the year ended 31 December 2017, mainly due to increase in revenue from trucking services. The overall gross profit margin decreased slightly from 23.1% for the year ended 31 December 2016 to 22.2% for the year ended 31 December 2017. The table below sets forth a breakdown of gross profit and gross profit margin by revenue type for the periods indicated:

	2017		2016	
	S$'000	***Gross profit margin %***	*S$'000*	*Gross profit margin %*
Trucking services	**4,255**	**16.6%**	3,148	14.3%
Hubbing services	**2,580**	**49.6%**	3,098	62.5%
	6,835	**22.2%**	6,246	23.1%

Gross profit from trucking services

The gross profit margin from trucking services increased from 14.3% for the year ended 31 December 2016 to 16.6% for the year ended 31 December 2017 mainly due to a change in revenue mix amongst the trucking services provided for the year.

Gross profit from hubbing services

The gross profit margin from hubbing services decreased from 62.5% for the year ended 31 December 2016 to 49.6% for the year ended 31 December 2017 with the signing of an additional new service agreement to provide additional storage capacity in the beginning of 2017. The Group now has two logistics yards in operation for the year ended 31 December 2017. In addition, the Group acquired two reachstackers in December 2016, resulting in higher depreciation expenses for the year ended 31 December 2017.

Other Income

Other income decreased by approximately S$109,000 from approximately S$393,000 for the year ended 31 December 2016 to approximately S$284,000 for the year ended 31 December 2017. The decrease was mainly attributed to a decrease in one-off incentive for wage subsidies declared by the Singapore Government.

Administrative Expenses

Administrative expenses comprised mainly of depreciation of property, plant and equipment, staff costs, auditor's remuneration, listing expenses and post-listing compliance costs. Total administrative expenses increased from approximately S$2,474,000 in the year ended 31 December 2016 to approximately S$6,753,000 in the year ended 31 December 2017.

Depreciation of property, plant and equipment increased by approximately S$116,000 due to increase in acquisition of computers and equipment, purchase of a new office unit and associated renovation.

Staff costs comprised of Directors' remuneration and remuneration of support staff from the accounts and finance, operations and marketing departments. Staff costs increased by approximately S$227,000 due to salary increment and increase in number of staff.

Auditor's remuneration increased by approximately S$134,000 after the Group's reorganisation for the Listing.

Listing expenses incurred in preparation for the listing of the shares of the Company and expensed to profit or loss amounted to approximately S$3,108,000.

In addition, additional compliance costs and professional fees of approximately S$392,000 were incurred post-listing.

Income Tax

The Group's income tax expense decreased by approximately S$102,000 from approximately S$699,000 to approximately S$597,000 for the year ended 31 December 2017. The decrease in tax expense is partially due to a decrease in profit before tax of approximately S$3,854,000 due to the aforesaid factors, offset by listing expenses incurred in 2017, which was non-deductible for tax purposes.

(Loss)/Profit for the Year

Due to the combined effect of the aforesaid factors, we recorded a loss of approximately S$406,000 for the year ended 31 December 2017, representing a decrease of approximately S$3,752,000 as compared to the profit of S$3,346,000 for the year ended 31 December 2016.

Excluding the listing expenses incurred of approximately S$3,108,000, the Group would have recorded a profit of approximately S$2,702,000 for the year ended 31 December 2017, which is lower than the profit for the year ended 31 December 2016 of approximately S$3,346,000 as a result of higher administrative expenses as mentioned above.

Liquidity and Financial Resources

As at 31 December 2017, the Group had total assets of approximately S$30,355,000 (2016: S$17,674,000), which is financed by total liabilities and shareholders' equity (comprising share capital, share premium and reserves) of approximately S$9,204,000 (2016: S$6,712,000) and approximately S$21,151,000 (2016: S$10,962,000) respectively. The current ratio as at 31 December 2017 of the Group was approximately 2.7 times (2016: approximately 1.5 times).

During the year ended 31 December 2107, the Group raised net proceeds from issuance of its share capital of approximately S$7,488,000. The net cash generated from operating activities of approximately S$2,685,000 included listing expenses paid of approximately S$3,108,000.

As at 31 December 2017, the Group had cash and cash equivalents of approximately S$9,093,000 (2016: S$1,488,000) which were placed with major banks in Singapore and Hong Kong.

The total interest-bearing finance leases and bank borrowings of the Group as at 31 December 2017 was approximately S$5,039,000 (2016: S$4,609,000). The gearing ratio (calculated based on interest-bearing liabilities divided by total equity) of the Group as of 31 December 2017 was 23.8% (2016: 42.0%).

Foreign Exchange Exposure

The Group transacts mainly in Singapore dollars, which is the functional currency of all the Group's operating subsidiaries. However, the Group retains a large part of its proceeds from the Share Offer in Hong Kong dollars which contributed to an unrealised foreign exchange loss of approximately S$104,000 as Hong Kong dollars depreciated against Singapore dollars.

Future Plans for Material Investments and Capital Assets

Save as disclosed in the Prospectus and in this report, the Group did not have other plans for material investments or capital assets as of 31 December 2017.

Material Acquisitions and Disposals of Subsidiaries, Associates and Joint Ventures

During the financial year ended 31 December 2017, the Group did not have any material acquisitions or disposals of subsidiaries, associates or joint ventures save for those related to the reorganisation (details disclosed under Note 2.1 to the financial statements).

Significant Investments Held

The Group did not hold any significant investments during the year ended 31 December 2017.

Contingent Liabilities

Performance guarantees were given by financial institutions and insurance companies on behalf of the Group to certain suppliers. The Group in turn, provides a counter indemnity to the financial institutions and insurance companies. The aggregate amount of the performance guarantees given by the financial institutions and insurance companies was S$640,000 as at 31 December 2017 (2016: S$610,000).

Capital Commitments

As at 31 December 2017, the Group has no commitment for the purchase of equipment.

Employee Information

As at 31 December 2017, the Group had an aggregate of 175 employees (2016: 154).

The employees of the Group are remunerated according to their job scope and responsibilities. The local employees are also entitled to discretionary bonus depending on their respective performance. The foreign workers are employed on one or two year contractual basis and are remunerated according to their work skills.

Total staff costs, including Directors' emoluments, amounted to approximately S$9,254,000 for the year ended 31 December 2017 (2016: S$8,765,000).

The Group did not experience any significant problem with our employees or disruptions to our operations due to labour disputes, nor did the Group experience any difficulty in the recruitment and retention of experienced employees. The Group continues to maintain a good relationship with our employees.

Use of Proceeds

The net proceeds from the Share Offer were approximately HK$43,116,000, which was based on the Share Offer price of HK$0.44 per share and the actual expenses related to the Listing. After the Listing, these proceeds were and will be used for the purposes in accordance with the future plans as set out in the prospectus of the Company dated 6 October 2017.

	Planned use of proceeds as shown in the Prospectus (adjusted on a pro rata basis based on the actual net proceeds)	Planned use of proceeds as shown in the Prospectus from the date of the Listing to 31 December 2017 (adjusted on a pro rata basis based on the actual net proceeds)	Actual use of proceeds from the date of the Listing to 31 December 2017	Unutilised amount as at 31 December 2017[(1)]
		HK$'000	*HK$'000*	*HK$'000*
Enhancement of capacity for transport and storage services through acquisition of new vehicles	26,062	2,052	—	2,052[(2)]
Expansion and enhancement of workforce to support increased business activities	7,923	886	336	550[(3)]
Information technology enhancement to support business activities	4,147	238	—	238[(4)]
Purchase of office to incorporate an increase in workforce	2,619	2,619	—	2,619[(5)]
Working capital and other general	2,365	2,365	2,365	—
	43,116	8,160	2,701	5,459

(1) The unused proceeds are deposited in a licensed bank in Hong Kong.

(2) Due to a delay in the availability of Euro VI compliant diesel prime movers in Singapore, the acquisition plan for more environmentally-friendly vehicles was delayed.

(3) With the delay in acquisition of vehicles, recruitment efforts were consequently delayed.

(4) The Group is in the process of studying the compatibility of the new system with the Group's existing technological infrastructure.

(5) We are currently still in discussion with the owner to buy over an office unit in the same office building as our subsidiaries' offices.

Prospects

The Group continues to strive to provide customers with timely delivery and storage of their containers, maintain growth in the industry and enhance overall competitiveness and market share in Singapore. In 2017, there was no material adverse change in the general economic and market conditions in Singapore or the industry in which it operates that had affected or would affect the business operations or financial condition materially and adversely.

The Group expects to: (a) maintain growth in the industry and enhance overall competitiveness and market share in Singapore; (b) increase service capacity through the acquisition of new vehicles; (c) enhance and expand the Group's workforce to keep up with the Group's business expansion; (d) purchase a new office to incorporate an increase in workforce; and (e) enhance the Group's information technology system.

Pledge of Assets

The carrying amount of motor vehicles held under finance leases was approximately S$12,282,000 as at 31 December 2017. Leased assets are pledged as securities for the related finance lease liabilities.

In addition to the assets held under finance leases, the Group's buildings with an aggregate carrying amount of approximately S$1,035,000 were mortgaged to secure the Group's bank loans as at 31 December 2017.

Share Option Scheme

The Company has a share option scheme (the "Share Option Scheme") which was approved and adopted by the sole shareholder of the Company by way of written resolutions passed on 25 September 2017. Details of the Share Option Scheme are set out in Appendix IV to the Prospectus.

No share option was granted, outstanding, lapsed, cancelled or exercised at any time during the year ended 31 December 2017.

Directors and Senior Management Profile

EXECUTIVE DIRECTORS

Mr. Chua Kang Lim ("K L Chua"), age 63, founder of our Group, was appointed as our Director on 10 February 2017 and re-designated as our executive Director, chief executive officer and the chairman of our Board on 24 March 2017. He has been a director of CA Transportation since February 1992 and a director of Nexis Logistics since April 2003, which are the Group's subsidiaries. Mr. K L Chua is responsible for the overall strategic planning and business development of our Group.

Mr. K L Chua has over 26 years of experience in the logistics industry in Singapore. Prior to the establishment of our Group, Mr. K L Chua was involved in business of packing and crating services. Mr. K L Chua was a partner of Teng Lee Packing Co from September 1982 to October 1992, an owner of K. L. Chua Container Service from March 1994 to June 2013 and a director of Teng Lee Packing Co Pte Ltd from October 1992 to May 2012 respectively and involved in their business operation and management. As (i) Teng Lee Packing Co engaged in the business of providing freight forwarding services and wholesale of logs, (ii) K. L. Chua Container Service engaged in the business of providing freight and container services, and (iii) Teng Lee Packing Co Pte Ltd engaged in the business of providing freight and warehousing services, Mr. K L Chua gained experience in management skills and knowledge of freight logistics business.

Mr. K L Chua is the father of both Ms. S F Chua, an executive Director of our Company, and Ms. S H Chua, our Purchasing and Human Resources Director. Mr. K L Chua is also the elder brother of Mr. C H Chua, our Senior Sales Manager.

Ms. Chua Sui Feng ("S F Chua"), age 38, was appointed as our Director on 10 February 2017 and re-designated as our executive Director on 24 March 2017. She joined our Group in May 2003 and has over 14 years of experience in the transport and storage industry. Ms. S F Chua is responsible for overall management of daily operations and business development in relation to our Group's business operations.

Prior to working in the transport and storage industry, Ms. S F Chua had worked as an assistant IT architect of Commerce Exchange Pte Ltd from May 2000 to November 2000. Ms. S F Chua obtained a Diploma in Multimedia Computing from Ngee Ann Polytechnic in August 2000. Ms. S F Chua subsequently graduated from the Queensland University of Technology, with a Bachelor of Information Technology in February 2002.

Ms. S F Chua is the daughter of Mr. K L Chua, our executive Director. Ms. S F Chua is also the younger sister of Ms. S H Chua, our Purchasing and Human Resources Director.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Dax Teo Tak Sin, aged 39, was appointed as our independent non-executive Director on 25 September 2017. He is currently the chairman of the remuneration committee and a member of the audit and nominations committees. Mr. Teo has over 14 years of experience in the audit profession. Mr. Teo graduated from the Nanyang Technological University with a Bachelor of Accountancy in July 2003. Mr. Teo is a Chartered Accountant of Singapore and has been a member of the Institute of Certified Public Accountants of Singapore since February 2007 and a member of the Institute of Singapore Chartered Accountants since July 2013.

Mr. Kwong Choong Kuen, aged 45, was appointed as our independent non-executive Director on 25 September 2017. He is currently the chairman of the audit committee and a member of the nomination and remuneration committees. Mr. Kwong has over 17 years of experience in the finance profession. Mr. Kwong graduated from Nanyang Technological University with a Bachelor of Accountancy in June 1996. Mr. Kwong is also a Chartered Accountant of Singapore and has been a member of the Institute of Certified Public Accountants of Singapore since September 1999 and a member of the Institute of Singapore Chartered Accountants since July 2013.

Ms. Grace Choong Mai Foong, aged 49, was appointed as our independent non-executive Director on 25 September 2017. She is currently the chairwoman of the nomination committee and a member of the audit and remuneration committees. Ms. Choong has over 17 years of experience in the financial services industry. Ms. Choong graduated from Universiti Utara Malaysia with a Bachelor of Economics with Honours in September 1992.

SENIOR MANAGEMENT

Mr. Chua Chin Ho ("C H Chua"), aged 54, joined our Group on 1 January 2015. He is our Senior Sales Manager and is primarily responsible for the sales and marketing activities of our Group. Mr. C H Chua graduated with a Diploma in Business Administration from the PSB Academy in 2001. Mr. C H Chua has over 27 years of experience in the logistics industry. Prior to joining our Group, he was a sales manager in Chun Logistics Pte Ltd. Mr. C H Chua is the younger brother of Mr. K L Chua, our executive Director.

Ms. Chua Shu Hui ("S H Chua"), aged 40, joined our Group on 1 June 2011. She is our Purchasing and Human Resources Director and is primarily responsible for the purchasing and human resource matters of our Group. Ms. S H Chua graduated with a Diploma in Business Administration and Marketing from the TMC Business School in August 1997. Ms. S H Chua has over 19 years of relevant experience in the transportation industry. Ms. S H Chua is the daughter of Mr. K L Chua, our executive Director. Ms. S H Chua is also the elder sister of Ms. S F Chua, our executive Director.

Ms. Li Xueling, Sharlene, aged 33, joined our Group on 15 March 2017. She is our Financial Controller and is primarily responsible for the finance and accounting functions of our Group. Ms. Li graduated with a Bachelor of Accountancy from Nanyang Technological University in 2007. She is a Chartered Accountant of Singapore and has been a member of the Institute of Singapore Chartered Accountants since July 2013. Ms. Li has over 9 years of relevant experience in the accounting field. Ms. Li has been a non-executive director of BHCC Holdings Limited (a company listed on the Main Board, stock code: 1552) since August 2017.

Mr. Toh Hwa Keong, aged 40, joined our Group on 1 November 2003. Mr. Toh is our Full Container Load ("FCL") Operations Manager and is primarily responsible for the FCL operations of our Group. He graduated with a Diploma in Electronics, Electrical and Communications Engineering from Singapore Polytechnic on 26 May 1997. Mr. Toh Hwa Keong has over 14 years of relevant experience in the transportation services industry.

COMPANY SECRETARY

Mr. Chang Man Leong, aged 40, was appointed as the company secretary of our Company on 24 March 2017. Mr. Chang does not act as an individual employee of our Company, but as an external service provider. Mr. Chang is a practising solicitor and a partner at Michael Li & Co. specialising in corporate finance work including initial public offerings, mergers and acquisitions and restructuring. Mr. Chang obtained his Bachelor of Business Administration degree from the Chinese University of Hong Kong in 1999 and subsequently a Bachelor of Laws degree from the University of Hong Kong in 2005. Mr. Chang was admitted as a solicitor in Hong Kong in November 2008.

COMPLIANCE OFFICER

Mr. K L Chua is an executive Director and the compliance officer of the Company. His biographical details and professional qualifications are set out on page 12 of this annual report.

Corporate Governance Report

The Board believes that good corporate governance is essential for efficient and effective management of our business to safeguard the interest of our stakeholders and achieve the highest return for our shareholders. The Company's corporate governance practices are based on the principles and code provisions as set out in the Code on Corporate Governance Practices (the "CG Code") in Appendix 15 of the GEM Listing Rules. In the opinion of the Board, the Company has complied with the CG Code from 18 October 2017 (the "Listing Date") up to 31 December 2017, except for Code Provision A.2.1 of the CG Code — segregation of the roles of chairman and chief executive officer.

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Code Provision A.2.1 of the CG Code provides that the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. Currently, Mr. K L Chua is acting as the chairman and the chief executive officer. In view of Mr. K L Chua being the founder of the Group, and his responsibilities in corporate strategic planning and overall business development as mentioned above, the Board believes that it is in the interests of both our Group and our Shareholders to have Mr. K L Chua taking up both roles for effective management and business development. Therefore, the Directors consider the deviation from Code Provision A.2.1 of Appendix 15 to the GEM Listing Rules to be appropriate in such circumstance. The Board will continue to review the effectiveness of the corporate governance structure of our Group in order to assess whether separation of the roles of the chairman and chief executive officer is necessary.

REQUIRED STANDARD OF DEALINGS FOR DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the required standard of dealings regarding securities transactions by the Directors as set out in Rules 5.48 to 5.67 of the GEM Listing Rules (the "Required Standard of Dealings"). The Company had made specific enquiries with all the Directors and each of them had confirmed his/her compliance with the Required Standard of Dealings during the year ended 31 December 2017.

NON-COMPETITION UNDERTAKING

Ventris Global Limited and Mr. K L Chua (collectively, the "Controlling Shareholders") entered into a deed of non-competition dated 3 October 2017 in favour of the Company and the subsidiaries (the "Deed of Non-competition"). Pursuant to the Deed of Non-competition, each of the Controlling Shareholders has irrevocably and unconditionally undertaken to the Company (for itself and for the benefit of the subsidiaries), among others, that during the continuation of the Deed of Non-competition, it or he would not, and would procure that its or his close associates (other than any member of our Group) would not, whether on its or his own account or in conjunction with or on behalf of any person, firm or company, whether directly or indirectly, carry on a business which is, or be interested or involved or engaged in or acquire or hold any rights or interest or otherwise involved in (in each case whether as a shareholder, partner, principal, agent, director, employee or otherwise and whether for profit, reward or otherwise) any business which competes or is likely to compete directly or indirectly with the business currently and from time to time engaged by our Group (including but not limited to the provision of transport and storage services to the logistics industry in Singapore and business ancillary to any of the foregoing), in Hong Kong, Singapore and any other country or jurisdiction to which our Group provides such services and/or in which any member of our Group carries on such business from time to time (the "Restricted Business"). Each of the Controlling Shareholders has further undertaken that if each of the Controlling Shareholders and/or any of its/his close associates is offered or becomes aware of any project or new business opportunity that related to the Restricted Business, it/he shall promptly notify the Company in writing and the Group shall have a right of first refusal to take up such opportunity.

For details of the Deed of Non-competition, please refer to the section headed "Relationship with our Controlling Shareholders — Deed of Non-competition" in the Prospectus.

The Company has received a written confirmation from the Controlling Shareholders that they have complied with the terms of the Deed of Non-Competition since the Listing Date and up to the date of this annual report. The independent non-executive Directors have also reviewed the status of compliance and written confirmation from the Controlling Shareholders, and confirmed that all the undertakings under the Deed of Non-Competition have been complied with by each of the Controlling Shareholders since the Listing Date and up to the date of this annual report.

BOARD OF DIRECTORS

The overall management of the Group's business is vested in the Board which assumes the responsibility for leadership and control of the Group and is collectively responsible for promoting the success of the Group by directing and supervising its affairs. All Directors should make decisions objectively in the interests of the Group.

The Board formulates strategies and sets directions for the Group's activities to develop its business and enhance shareholders' value. The Board also assumes the responsibilities for maintaining high standard of corporate governance, including among others, reviewing the Company's policies and practices on corporate governance, and reviewing and monitoring the Company's policies and practices on compliance with legal and regulatory requirements.

The Board has established board committees with specific written terms of reference which deal clearly with the committees' authority and duties. Details of the respective committee's terms of reference are available at the websites of the Company and the Stock Exchange.

The day-to-day management, administration and operation of the Group are delegated to the executive Directors and the senior management. The delegated functions and work tasks are periodically reviewed. Approval has to be obtained from the Board prior to any significant transactions being entered into by the abovementioned officers.

Board Composition

As at the date of this report, the Board comprises five Directors of which two are executive Directors and three are independent non-executive Directors. The composition of the Board is as follows:

Executive Directors:
Mr. Chua Kang Lim *(Chairman)*
Ms. Chua Sui Feng

Independent non-executive Directors:
Mr. Dax Teo Tak Sin
Mr. Kwong Choong Kuen
Ms. Grace Choong Mai Foong

From the Listing Date up to the date of this report, there was no change in the composition of the Board. The biographical details of the Directors are set out in the section headed "Directors and Senior Management Profile" on pages 12 to 13 of this annual report.

Other than Ms. Chua Sui Feng who is the daughter of Mr. Chua Kang Lim, the Directors do not have financial, business, family or other material/relevant relationships with each other.

Throughout the period from the Listing Date to the date of this report, the Board at all times met the requirements of the GEM Listing Rules relating to the appointment of at least three independent non-executive directors, accounting for at least one-third of the Board, with at least one independent non-executive director possessing the appropriate professional qualifications or accounting or related financial management expertise.

Prior to their respective appointment, each of the independent non-executive Directors has submitted a written statement to the Stock Exchange confirming their independence. The Company has received from each of the independent non-executive Directors an annual confirmation of his independence pursuant to Rule 5.09 of the GEM Listing Rules and the Board considers that all the independent non-executive Directors to be independent and meet the requirements set out in Rule 5.09 of the GEM Listing Rules as at the date of this report.

Roles and Responsibility of the Board

The Board is responsible for the overall management of the Group, which includes controlling resources allocation of the Company and leading the Company to strive for success. It oversees the Group's businesses, strategic decisions, internal control, risk management and performances.

The management team is delegated with the authority and responsibility by the Board for the daily management of the Group. The delegated functions and work tasks are periodically reviewed. Major corporate matters that are specifically delegated by the Board to the management include (1) the preparation of quarterly, interim and annual reports and announcements for the Board's approval before publishing; (2) implementation of adequate systems of internal controls and risk management procedures; and (3) compliance with relevant statutory and regulatory requirements and rules and regulations.

It is the responsibility of the Board to determine the appropriate corporate governance practices applicable to the Company's circumstances and to ensure processes and procedures are in place to achieve the Company's corporate governance objectives.

Board/Board Committee Meetings

The Board meets regularly to discuss the overall strategy as well as the operation and financial performance of the Company, and to review and approve the Company's quarterly, interim and annual results. During the period from the listing date to 31 December 2017, one Board meeting was held for approving the 2017 third quarterly results and the attendance of each Director at the Board meetings is set out in the section headed "Attendance Records of Directors and Committee Members" of this report. On 21 March 2018, the board meeting has approved, among other matters, the audited consolidated results of the Company and its subsidiaries for the year ended 31 December 2017.

Regular Board meetings for each year are scheduled in advance to facilitate maximum attendance of Directors. At least 14 days' notice is given for a regular Board meeting. All Directors are given an opportunity to include matters for discussion in the agenda. The Company Secretary assists the Chairman in preparing the agenda for meetings to comply with all applicable rules and regulations. The agenda and the accompanying Board papers are normally sent to Directors at least three days before the intended date of a Board meeting. Draft minutes of each Board meeting are circulated to Directors for their comment before being tabled at the next Board meeting for approval. The minutes are kept by the Company Secretary and are open for inspection at any reasonable time on reasonable notice by any Director.

Attendance Records of Directors and Committee Members

The Directors' attendance in the Board meeting and Board Committee meetings for the year ended 31 December 2017 after Listing is as follows:

	Attendance/Number of Meetings Held		
	Board Meeting	Audit Committee Meeting	Remuneration Committee
Executive Directors			
Mr. Chua Kang Lim	1/1	1/1	
Ms. Chua Sui Feng	1/1	1/1	
Independent Non-executive Directors			
Mr. Dax Teo Tak Sin	1/1	1/1	1/1
Mr. Kwong Choong Kuen	1/1	1/1	1/1
Ms. Grace Choong Mai Foong	1/1	1/1	1/1

No general meeting of the Company has been held for the year ended 31 December 2017 after Listing.

Appointment and Re-election of Directors

The executive Directors have entered into service contracts with the Company for a fixed term of three years commencing from the Listing Date and will continue thereafter until terminated by not less than three months' notice in writing sent by either party to the other. Each of the independent non-executive Directors has entered into a letter of appointment with the Company. Each of the independent non-executive Directors is appointed with an initial term of three years commencing from the Listing Date subject to termination in certain circumstances as stipulated in the relevant letters of appointment.

The procedures and process of appointment, re-election and removal of Directors are laid down in the Company's articles of association. The nomination committee is responsible for reviewing the Board composition, assessing the independence of independent non-executive Directors and making recommendations to the Board on relevant matters relating to the appointment or re-appointment of Directors and succession planning for Directors.

Board Diversity Policy

The Company recognises and embraces the benefits of having a diverse Board as an essential element to improving governance and performance, and to creating a competitive advantage. In designing the Board's composition, board diversity has been considered from a number of aspects, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service. All Board appointments are made on merit, in the context of the skills, experience, independence and knowledge which the Board as a whole requires to be effective.

Directors' Training and Continuing Professional Development

Directors are aware of Code Provision A.6.5 regarding continuing professional development programme for directors. Every director is required to keep abreast of his responsibilities as a Director and of the conduct, business activities and development of the Company. For the year ended 31 December 2017, all Directors participated in the training regarding director responsibilities and duties by the Company's legal advisers in relation to the Listing. The training covered corporate governance, listed company and director's continuing obligations.

Directors' and Officers' Liabilities

The Company has in place appropriate insurance coverage on Directors' and officers' liabilities in respect of any legal actions taken against Directors and senior management arising out of corporate activities. The insurance coverage is reviewed on an annual basis by the Company.

BOARD COMMITTEES

The Board is supported by three Board Committees. Each committee has its defined scope of duties and terms of reference and the committee members are empowered to make decisions on matters within their respective terms of reference.

AUDIT COMMITTEE

Our Group established an Audit Committee on 25 September 2017 which comprises three members. Our audit committee has adopted the written terms of reference in compliance with Rule 5.28 of the GEM Listing Rules and paragraph C3.3 of the Corporate Governance Code and Corporate Governance Report as set out in Appendix 15 to the GEM Listing Rules. The primary duties of our Audit Committee are, among other things, to review and supervise the financial reporting process and internal control systems of our Group. The committee will be assisted by the professional accounting firm engaged by our Group, which will conduct regular internal audits and report to the committee. The Audit Committee comprises three members, namely, Mr. Kwong Choong Kuen, Mr. Dax Teo Tak Sin and Ms. Grace Choong Mai Foong. Mr. Kwong Choong Kuen is the chairman of the Audit Committee.

During the period from the listing date to 31 December 2017, one meeting of the Audit Committee was held to review the third quarterly results of the Group and the meeting was attended by the Company's external auditor so that the members of the Audit Committee could exchange their views and concerns on the financial reporting process of the Group with the auditor. All members of the Audit Committee attended the meeting.

Subsequent to the year under review and up to the date of this annual report, the Audit Committee has held one meeting and reviewed with the management and the external auditor the accounting principles and practices adopted by the Group and discussed auditing, internal controls, and financial reporting matters including the following:

- the review of the audited financial statements for the year ended 31 December 2017;
- the recommendation to the Board for the proposal for reappointment of the external auditor of the Company and approval of the remuneration and terms of engagement of the external auditor; and
- the review of the risk management and internal control systems of the Company and its subsidiaries.

The attendance of each member of the Audit Committee is set out in the section headed "Attendance Records of Directors and Committee Members" of this report.

REMUNERATION COMMITTEE

Our Group established a Remuneration Committee on 25 September 2017 which comprises three members. Our Remuneration Committee has adopted written terms of reference in compliance with Rule 5.34 of the GEM Listing Rules and paragraph B1.2 of the Corporate Governance Code and Corporate Governance Report as set out in Appendix 15 to the GEM Listing Rules. The primary duties of our Remuneration Committee are, among other things, to evaluate the performance and to determine, with delegated responsibility, on the remuneration package of our Directors and senior management. The Remuneration Committee comprises three members, namely, Mr. Dax Teo Tak Sin, Mr. Kwong Choong Kuen and Ms. Grace Choong Mai Foong. Mr. Dax Teo Tak Sin is the chairman of the Remuneration Committee.

During the period from the listing date to 31 December 2017, one meeting of the Remuneration Committee was held to review the remuneration package of the executive Directors and senior management for the financial year ended 31 December 2017. On 21 March 2018, the Remuneration Committee held a meeting to approve the remuneration packages and performance bonuses for the executive Directors and senior management of the Company.

Pursuant to paragraph B.1.5 of the CG Code, the remuneration of the members of the senior management by band for the year ended 31 December 2017 is set out below:

Remuneration band (in HK$)	**Number of individuals**
Nil to HK$1,000,000	4
HK$1,000,000–HK$1,500,000	—

Particulars of the Directors' remuneration for the year ended 31 December 2017 are set out in note 8 to the consolidated financial statements.

NOMINATION COMMITTEE

Our Group established a Nomination Committee on 25 September 2017, which comprises three members. Our Nomination Committee has adopted written terms of reference in compliance with paragraph A5.2 of the Corporate Governance Code and Corporate Governance Report as set out in Appendix 15 to the GEM Listing Rules. The primary duties of our Nomination Committee are to nominate potential candidates for directorship, to review the nomination of directors and to make recommendations to the Board on terms of such appointment. The Nomination Committee comprises three members, namely, Ms. Grace Choong Mai Foong, Mr. Dax Teo Tak Sin and Mr. Kwong Choong Kuen. Ms. Grace Choong Mai Foong is the chairwoman of the Nomination Committee.

During the period from the listing date to 31 December 2017, no Nomination Committee meeting was held. On 21 March 2018, the Nomination Committee held a meeting to review the structure, size and composition of the Board and concluded that members of the Board have possessed the expertise and independence to carry out the Board's functions and responsibilities.

FINANCIAL REPORTING

The Directors are responsible for the preparation of the financial statements for the year ended 31 December 2017. As at 31 December 2017, the Directors are not aware of any material uncertainties relating to events or conditions which may cast significant doubt upon the Company's ability to continue as a going concern. Accordingly, the Directors have prepared the financial statements of the Group on a going-concern basis. The responsibilities of the external auditors regarding their financial reporting are set out in the independent auditor's report contained in this annual report for the year ended 31 December 2017.

RISK MANAGEMENT AND INTERNAL CONTROLS

The Company does not have an internal audit function and is currently of the view that there is no immediate need to set up an internal audit function within the Group in light of the size, nature and complexity of the Group's business. The Directors are responsible for formulating and overseeing the implementation of the Group's internal control measures. An annual review of the effectiveness of the system of internal controls of the Group will be conducted. The review will cover all material controls, including financial, operational, compliance and risk management controls.

In preparation for the Listing, we engaged an internal control consultant, an independent third party, to undertake a review of the internal control system of the Group. Material issues identified by the internal control consultant had been rectified prior to the Listing. The Board is of the view that the internal control measures in place are adequate and effective to safeguard the interest of shareholders and the Group's assets.

EXTERNAL AUDITOR'S REMUNERATION

During the year ended 31 December 2017, the Company engaged Ernst & Young as the external auditor. Apart from providing audit services, Ernst & Young also provided non-audit services in connection with the Group's listing on GEM. The fees in respect of the audit services (including annual audit services) and non-audit services (includes internal control review and tax advisory services) in respect of the Listing provided by Ernst & Young for the year ended 31 December 2017 amounted to approximately S$157,000 and S$95,000 respectively. The reporting responsibilities of Ernst & Young are set out in the independent auditor's report on page 28 to 31 of this annual report.

COMPANY SECRETARY

Mr. Chang Man Leong is the company secretary of the Company as appointed pursuant to Rule 5.14 of the GEM Listing Rules. Mr. Chang obtained his Bachelor of Business Administration degree from the Chinese University of Hong Kong in 1999 and subsequently a Bachelor of Laws degree from the University of Hong Kong in 2005. Mr. Chang is a practising solicitor, and was admitted as a solicitor in Hong Kong in November 2008.

Mr. Chang does not act as an individual employee of the Company, but as an external service provider. Pursuant to paragraph F.1.1 of the CG Code, the Company can engage an external service provider as its company secretary, provided that the Company should disclose the identity of a person with sufficient sensitivity at the Company whom the external provider can contact, in this respect, the Company has nominated Ms. S F Chua, an executive Director, as its contact point for Mr. Chang. Mr. Chang has taken no less than 15 hours of relevant professional training for the year ended 31 December 2017.

COMMUNICATION WITH SHAREHOLDERS

The Company communicates with the shareholders and the potential investors of the Company mainly in the following ways:

(i) the holding of annual general meetings and general meetings of the Company, if any, which may be convened for specific purpose and provide opportunities for shareholders and investors to communicate directly with the Board;

(ii) the publication of quarterly, half-yearly and annual reports, announcements and/or circulars as required under the GEM Listing Rules and/or press releases of the Company providing updated information on the Group; and

(iii) the latest information on the Group is available on the respective websites of the Stock Exchange and the Company.

SHAREHOLDERS' RIGHTS

Right to convene extraordinary general meeting

Pursuant to the Company's Articles of Association, any shareholder(s) holding at the date of the deposit of the requisition not less than one-tenth of the paid-up capital of the Company carrying the right of voting at general meetings of the Company shall have the right to submit a written requisition requiring an extraordinary general meeting to be called by the Board. The written requisition (i) must state the purpose(s) of the extraordinary general meeting, and (ii) must be signed by the requisitionist(s) and deposited at the registered office of the Company for attention of the Company Secretary of the Company, and may consist of several documents in like form, each signed by one or more requisitionist(s). Such requisitions will be verified with the Company's branch share registrar and upon their confirmation that the requisition is proper and in order, the Company Secretary will ask the Board to convene an extraordinary general meeting by serving sufficient notice to all shareholders. On the contrary, if the requisition has been verified as not in order, the requisitionist(s) will be advised of this outcome and accordingly, the extraordinary general meeting will not be convened as requested.

If the Board does not within 21 days from the date of the deposit of the requisition proceed duly to convene the extraordinary general meeting, the requisitionist(s) or any of them representing more than one-half of the total voting rights of all of them may convene an extraordinary general meeting, but any extraordinary general meeting so convened shall not be held after expiration of two months from the said date of deposit of the requisition. An extraordinary general meeting convened by the requisitionist(s) shall be convened in the same manner, as nearly as possible, as that in any extraordinary general meeting to be convened by the Board.

Right to put forward proposals at general meeting

To put forward proposals at a general meeting of the Company, a shareholder should lodge a written notice of his/her proposal with his/her detailed contact information at the Company's principal place of business in Hong Kong.

The request will be verified with the Company's branch share registrar in Hong Kong and upon their confirmation that the request is proper and in order, the Board will be asked to include the proposal in the agenda for the general meeting.

Right to make enquiries to the Board

Shareholders may send their enquiries and concerns, in written form, to the Board by addressing them to the Company Secretary at 19th Floor, Prosperity Tower, 39 Queen's Road Central, Central, Hong Kong. Shareholders may also make enquiries to the Board at the general meeting of the Company. In addition, shareholders can contact Union Registrars Limited, the branch share registrar of the Company in Hong Kong, if they have any enquiries about their shareholdings and entitlements to dividend.

CONSTITUTIONAL DOCUMENTS

During the period from Listing Date to 31 December 2017, there had been no significant change in the Company's constitutional documents. The Articles of Association of the Company are available on the websites of the Stock Exchange and the Company.

INVESTOR RELATIONS

The Company believes that maintaining effective communication with the investment industry is crucial to having a deeper understanding of the Company's business and its development among investors. To achieve this goal and increase transparency, the Company will continue to adopt proactive measures to foster better investor relations and communications. As such, the purpose for the Company to formulate investor relations policies is to let investors have access to the information of the Group in a fair and timely manner, so that they can make an informed decision.

We welcome investors to write to the Company or send their enquiries to the Company's email of business@cnlimited.com to share their opinions with the Board. The Company's website also discloses the latest business information of the Group to investors and the public.

ACCOUNTABILITY AND AUDIT FINANCIAL REPORTING

The management provides such explanation and information to the Board and reports to the Board on the financial position and prospects of the business of the Group so as to enable the Board to make an informed assessment of the financial and other information put before the Board for approval.

The Directors acknowledge their responsibilities (as set out in the independent auditor's report) for preparing the financial statements of the Group that give a true and fair view of the state of affairs of the Group. As at 31 December 2017, the Board was not aware of any material uncertainties relating to any events or conditions that might cast significant doubt upon the Group's ability to continue as a going concern and the Board has prepared the financial statements on a going concern basis. The responsibility of the external auditor is to form an independent opinion, based on their audit, on those financial statements prepared by the Board and to report their opinion to the shareholders of the Company. A statement by the external auditor about their reporting responsibility is set out in the section headed "Independent Auditor's Report" of this annual report.

Report of the Directors

The Directors present their report and the audited financial statements for the year ended 31 December 2017.

GROUP REORGANISATION

The Group was formed after a Group Reorganisation for the purpose of the listing as disclosed in note 2 to the consolidated financial statements.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The principal activity of the Company is investment holding. Details of the principal activities of the subsidiaries are set out in note 1 to the financial statements. The business of the Group comprises the provision of transport and storage services to the logistics industry in Singapore, offering trucking and hubbing services to customers. There were no significant changes in the nature of the Group's principal activities during the year.

A review of the business of the Group as well as discussion and analysis of the Group's performance during the year and the material factors underlying its financial performance and financial position can be found in the section headed "Management Discussion and Analysis" set out on pages 6 to 11 of this annual report. This discussion forms part of this Directors' statement.

PRINCIPAL RISKS AND UNCERTAINTIES

Further discussion and analysis of the principal risks and uncertainties facing the Group can be found in the "Management Discussion and Analysis" set out on pages 6 and 11 of the annual report. The above section forms part of this report.

RESULTS AND DIVIDENDS

The Group's loss for the year ended 31 December 2017 and the Group's financial position at that date are set out in the financial statements on pages 32 to 79.

The Board takes into account of the Group's overall results of operation, financial position and capital requirements, among other factors, in considering the declaration of dividends. The Directors do not recommend the payment of any dividend for the year ended 31 December 2017.

SUMMARY FINANCIAL INFORMATION

A summary of the published results and of the assets and liabilities of the Group for the last three years is set out on page 80 of this annual report. This summary does not form part of the audited financial statements.

SHARE CAPITAL

Details of movements in the Company's share capital during the year are set out in notes 22 to the financial statements.

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY

Neither the Company, nor any of its subsidiaries purchased, redeemed or sold any of the Company's listed securities during the year ended 31 December 2017.

PRE-EMPTIVE RIGHT

There are no provisions for pre-emptive rights under the Company's Articles of Association or the laws of the Cayman Islands, being the jurisdiction in which the Company was incorporated, which would oblige the Company to offer new shares on a pro rata basis to existing shareholders unless otherwise required by the Stock Exchange.

RESERVES

Details of movements in reserves of the Group for the year ended 31 December 2017 are set out in the consolidated statement of changes in equity.

DISTRIBUTABLE RESERVES

The Company did not have reserves available for cash distribution as at 31 December 2017, calculated under the Companies Law, Cap 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands, as it has accumulated losses. However, the amount of approximately S$19.8 million included in the Company's share premium account may be distributed as dividends provided that immediately following the date on which the dividend is proposed to be paid, the Company is able to pay its debts as they fall due in the ordinary course of business.

MAJOR CUSTOMERS AND SUPPLIERS

In the year under review, sales to the Group's five largest customers accounted for 83% of the total sales for the year and sales to the largest customer included therein amounted to 38%. Purchases from the Group's five largest suppliers accounted for than 54% of the total purchases for the year. The Group maintains good relationships with its customers and suppliers.

None of the directors of the Company or any of their associates or any shareholders (which, to the best knowledge of the directors, own more than 5% of the Company's share capital) had any beneficial interest in the Group's five largest customers.

USE OF PROCEEDS FROM SHARE OFFER

As at 31 December 2017, the Company has not yet utilised the net proceeds of approximately HK$40.4 million (approximately S$6.9 million) raised from the Share Offer in accordance with the intended use of proceeds set out in the Prospectus. Details of the intended uses and utilised amount are set out on page 10 of the annual report.

ENVIRONMENTAL POLICIES

The Group is committed to building an environmentally-friendly corporate environment that focuses on conserving natural resources. We believe that everyone can make a difference — a small step from each employee will go a long way to reducing our carbon footprint on the earth. As a responsible Group, we strive to keep improving the efficient use of the natural resources, and aim to develop energy saving culture.

A separate environmental, social and governance report is expected to be published on the websites of the Stock Exchange and the Company no later than three months after the publication of this report.

COMPLIANCE WITH LAWS AND REGULATIONS

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, our Group has complied in material respects with the relevant laws and regulations that have a significant impact on the business and operation of our Group during the year ended 31 December 2017.

DIRECTORS

The Directors of the Company during the year were:

Executive Directors:

Mr. Chua Kang Lim (appointed on 10 February 2017)
Ms. Chua Sui Feng (appointed on 10 February 2017)

Independent non-executive Directors:

Mr. Dax Teo Tak Sin (appointed on 25 September 2017)
Mr. Kwong Choong Kuen (appointed on 25 September 2017)
Ms. Grace Choong Mai Foong (appointed on 25 September 2017)

DIRECTORS' AND SENIOR MANAGEMENT'S BIOGRAPHIES

Biographical details of the directors of the Company and the senior management of the Group are set out on pages 12 to 13 of the annual report.

DIRECTORS' SERVICE CONTRACTS

During the year ended 31 December 2017, the executive Directors, Mr. Chua Kang Lim and Ms. Chua Sui Feng have service contracts with the Company for a fixed term of three years commencing from 18 October 2017. The service contracts will continue thereafter until terminated by not less than three months' notice in writing sent by either party or the other.

Each of the independent non-executive Directors has entered into a letter of appointment with the Company. Each of the independent non-executive Directors is appointed with an initial term of three years commencing from the Listing Date subject to termination in certain circumstances as stipulated in the relevant letters of appointment.

Pursuant to the Articles and Association of the Company, any Director appointed by the Board as an addition to the existing Board shall hold office only until the next following annual general meeting of the Company and shall then be eligible for re-election.

In compliance with Code Provision A.4.2 of the CG Code, all Directors are subject to retirement by rotation at least once every three years. Furthermore, pursuant to the Articles and Association of the Company, at each general meeting, one-third of the Directors for the time being, or, if their number is not three or a multiple of three, then the number nearest to but not less than one-third, shall be subject to retirement by rotation at least once every three years. A retiring Director shall be eligible for re-election.

No Director proposed for re-election at the forthcoming annual general meeting has a service contract with the Company which is not determinable by the Company within one year without payment of compensation, other than statutory compensation.

DIRECTORS' REMUNERATION

The Directors' fees are subject to shareholders' approval at general meetings. Other emoluments are determined by the Board with reference to Directors' duties, responsibilities and performance and the results of the Group.

The remuneration policy of the Group is on the basis of the qualifications and contributions of individuals to the Group.

Details of the remuneration of the Directors and five highest paid individuals pursuant to Rules 18.28 to 18.30 of the GEM Listing Rules are set out in note 8 (for the Directors) and note 9 (for the five highest paid individuals) to the financial statements.

DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS

No Director nor a connected entity of a Director had a material interest, either directly or indirectly, in any transactions, arrangements or contracts of significance to the business of the Group to which the holding company of the Company, or any of the Company's subsidiaries was a party at any time during or as at the end of the year ended 31 December 2017.

As at 31 December 2017, no contract of significance had been entered into between the Company, or any of its subsidiaries and the Controlling Shareholder of the Company (as defined in the GEM Listing Rules) or any of its subsidiaries.

COMPETING BUSINESS

For the year ended 31 December 2017, none of the Directors, controlling shareholder or their respective close associates (as defined in the GEM Listing Rules) has any interests in a business that competes or is likely to compete either directly or indirectly with the business of the Group.

MANAGEMENT CONTRACTS

No contracts, other than employment contracts, concerning the management and administration of the whole and any part of the Company's business were entered into or existed during the year ended 31 December 2017.

Directors' and chief executive's interests and short positions in shares and underlying shares and debentures

At 31 December 2017, the interests and short positions of the directors and chief executive in the share capital and underlying shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")), as recorded in the register required to be kept by the Company pursuant to section 352 of the SFO, or as otherwise notified to the Company and The Stock Exchange of Hong Kong Limited (the "Hong Kong Stock Exchange") pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers, were as follows:

Long positions in ordinary shares of the Company:

		Number of shares held, capacity and nature of interest			
Name of director	*Note*	**Directly beneficially owner**	**Through controlled corporation**	**Total**	**Percentage of the issued share capital**
Mr Chua Kang Lim	(1)	—	480,000,000	480,000,000	75%

Note

(1) These shares are held by Ventris Global Limited ("Ventris"). The entire issued share capital of Ventris is legally and beneficially owned by Mr. Chua. Mr. Chua is deemed to be interested in the shares of the Company in which Ventris is interested under Part XV of the SFO.

Long positions in shares and underlying shares of associated corporations:

Name of associated corporation	Name	Capacity and nature of interest	Percentage of the associated corporation's share capital
Ventris Global Limited	Mr Chua Kang Lim	Beneficial owner	100%

Save as disclosed above, as at 31 December 2017, none of the directors and chief executive had registered an interest or short position in the shares, underlying shares or debentures of the Company or any of its associated corporations that was required to be recorded pursuant to section 352 of the SFO, or as otherwise notified to the Company and the Hong Kong Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers.

SHARE OPTION SCHEME

The Company has a share option scheme (the "Share Option Scheme") which was approved and adopted by the sole shareholder of the Company by way of written resolutions passed on 25 September 2017. Details of the Share Option Scheme are set out in Appendix IV to the Prospectus.

No share option was granted, outstanding, lapsed, cancelled or exercised at any time during the year ended 31 December 2017.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

During the year ended 31 December 2017 and up to the date of this report, except for the Share Option Scheme, the Company or any of its subsidiaries is not a party to any arrangement to enable the Directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any body corporate.

EQUITY-LINKED AGREEMENTS

Save for the Share Option Scheme, no equity-linked agreements were entered into by the Company during the year or subsisted at the end of the year ended 31 December 2017.

CONTRACT OF SIGNIFICANCE

No contracts of significance in relation to the Group's business in which the Company, any of its subsidiaries, or its parent company was a party and in which a director of the Company had a material interest, whether directly or indirectly, subsisted during or at the end of the year.

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

At 31 December 2017, the following interests and short positions of 5% or more of the share capital and share options of the Company were recorded in the register of interests required to be kept by the Company pursuant to section 336 of the SFO:

Name	Directly beneficially owned	Interest of spouse	Through controlled corporation	Total	Percentage of the issued share capital
Ventris Global Limited	480,000,000	—	—	480,000,000	75%

Save as disclosed above, as at 31 December 2017, no person, other than the Directors and chief executive of the Company, whose interests are set out in the section headed "Directors' and chief executive's interests and short positions in shares and underlying shares and debentures of the Company or its associated corporations" above, had registered an interest or short position in the shares or underlying shares of the Company that was required to be recorded pursuant to section 336 of the SF.

CONNECTED TRANSACTIONS

During the year ended 31 December 2017, the Group had no transactions which need to be disclosed as connected transactions in accordance with the requirements of the GEM Listing Rules.

SUFFICIENCY OF PUBLIC FLOAT

Based on information that is publicly available to the Company and within the knowledge of the directors, at least 25% of the Company's total number of issued shares are held by the public as at the date of this report and the Company has maintained prescribed public float under the GEM Listing Rules.

ANNUAL GENERAL MEETING AND CLOSURE OF REGISTER OF MEMBERS

The forthcoming annual general meeting (the "2017 AGM") will be held on 9 May 2018 at 10:30 a.m..

In order to determine the entitlements of the Shareholders to attend and vote at the 2017 AGM, the register of members of the Company will be closed from 4 May 2018 to 9 May 2018, both days inclusive, during which period no transfer of shares will be registered. All transfers documents accompanied by the relevant share certificates must be lodged with the Company's branch share registrar and transfer office in Hong Kong, Union Registrars Limited at Suites 3301–04, 33/F, Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong for registration no later than 4:30 p.m. on 3 May 2018.

COMPLIANCE WITH THE CODE ON CORPORATE GOVERNANCE

A full corporate governance report is set out on pages 14 to 21 of this annual report.

INTEREST OF THE COMPLIANCE ADVISER

As notified by the compliance adviser of the Company, Vinco Capital Limited, as at 31 December 2017, save for the compliance adviser agreement dated 3 October 2017 entered into between the Company and Vinco Capital Limited, neither Vinco Capital Limited, its Directors, employees and associates had any interest in relation to the Group which is required to be notified to the Company pursuant to Rule 6A.32 of the GEM Listing Rules.

AUDITORS

Ernst & Young will retire at the conclusion of the 2017 AGM and a resolution for their reappointment as auditors of the Company will be proposed at the 2017 AGM.

On behalf of the board of directors

Chua Kang Lim
Chairman

Hong Kong
21 March 2018

Independent Auditor's Report

To the shareholders of C&N Holdings Limited
(Incorporated in the Cayman Islands with limited liability)

Opinion

We have audited the consolidated financial statements of C&N Holdings Limited (the "Company") and its subsidiaries (the "Group") set out on pages 32 to 79, which comprise the consolidated statement of financial position as at 31 December 2017, and the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2017, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRSs") issued by the International Accounting Standards Board ("IASB") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

Basis for opinion

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

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

Key audit matters (continued)

Key audit matter	How our audit addressed the key audit matter
Impairment for trade receivables As at 31 December 2017, trade receivables of the Group amounted to S$5,781,140. The Group's trade receivable balances were significant to the Group as it represented 19% of the total of assets of the Group. The collectability of trade receivables is a key element of the Group's working capital management, which is closely monitored by management. Collectability assessment of trade receivables requires significant management judgement in assessing the trade debtors' ability to pay by considering their repayment history and financial position. As such, we determined that this is a key audit matter. The significant accounting judgements and estimates and disclosures related to trade receivables are included in notes 3 and 17 to the financial statements.	Our audit procedures included among others: I) assessed the Group's processes and controls relating to the monitoring of trade receivables; II) obtained confirmations from trade debtors, on a sample basis, to verify the trade receivable balances; III) reviewed collectability by way of obtaining evidence of subsequent receipts from the trade debtors; IV) discussed with management on the recoverability of the long outstanding debts, and V) assessed management's assumptions and estimates used to determine the trade receivable impairment provision by checking the correctness of the aging analysis and reviewing the trade debtors' payment history and correspondences between the Group and trade debtors, focusing on material overdue individual trade receivables.

Other information included in the Annual Report

The directors of the Company are responsible for the other information. The other information comprises the information included in the Annual Report, other than the consolidated financial statements and our auditor's report thereon.

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

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

Responsibilities of the directors for the consolidated financial statements

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

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

The directors of the Company are assisted by the Audit Committee in discharging their responsibilities for overseeing the Group's financial reporting process.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Our report is made solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

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

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

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

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our 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 consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Auditor's responsibilities for the audit of the consolidated financial statements (continued)

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

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

From the matters communicated with the Audit Committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our 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.

The engagement partner on the audit resulting in this independent auditor's report is Lau Kin Yu.

Ernst & Young
Certified Public Accountants
22/F, CITIC Tower
1 Tim Mei Avenue
Central, Hong Kong

21 March 2018

Consolidated Statement of Profit or Loss and Other Comprehensive Income

Year ended 31 December 2017

	Notes	**2017**	2016
Revenue	5	**30,822,059**	27,008,662
Cost of sales		**(23,986,785)**	(20,763,078)
Gross profit		**6,835,274**	6,245,584
Other income	5	**284,072**	392,968
Administrative expenses		**(6,753,245)**	(2,474,257)
Finance costs	6	**(175,464)**	(119,347)
Profit before tax	7	**190,637**	4,044,948
Income tax expense	10	**(597,023)**	(699,297)
(Loss)/profit for the year		**(406,386)**	3,345,651
Other comprehensive income:			
Other comprehensive income to be reclassified to profit or loss in subsequent periods:			
Available-for-sale investment:			
Changes in fair value		**–**	(4,650)
Reclassification adjustments for loss included in profit or loss			
— Impairment loss		**–**	4,650
Other comprehensive income for the year		**–**	—
Total comprehensive (loss)/income for the year		**(406,386)**	3,345,651
(Loss)/earnings per share			
Basic and diluted	12	**(0.0008)**	0.0070

Consolidated Statement of Financial Position

31 December 2017

	Notes	2017	2016
Non-current assets			
Property, plant and equipment	13	**14,379,084**	10,860,456
Deferred tax assets	14	**78,360**	—
Available-for-sale investment	15	**6,750**	6,750
Deposits	16	**66,500**	87,948
Total non-current assets		**14,530,694**	10,955,154
Current assets			
Trade receivables	17	**5,781,140**	4,639,182
Deposits and other receivables	16	**33,490**	286,622
Prepayments		**109,844**	—
Pledged deposits	18	**806,710**	304,575
Cash and bank balances	18	**9,093,347**	1,488,087
Total current assets		**15,824,531**	6,718,466
Current liabilities			
Trade payables	19	**1,900,091**	686,027
Other payables and accruals	20	**1,162,053**	696,498
Loans and borrowings	21	**2,247,813**	2,793,844
Tax payable		**448,454**	298,915
Total current liabilities		**5,758,411**	4,475,284
Net current assets		**10,066,120**	2,243,182
Total assets less current liabilities		**24,596,814**	13,198,336
Non-current liabilities			
Loans and borrowings	21	**2,790,723**	1,815,402
Deferred tax liabilities	14	**654,633**	421,125
Total non-current liabilities		**3,445,356**	2,236,527
Net assets		**21,151,458**	10,961,809
Equity			
Share capital	22	**1,106,317**	—
Reserves	23	**20,045,141**	10,961,809
Total equity		**21,151,458**	10,961,809

Chua Kang Lin
Director

Chua Sui Feng
Director

Consolidated Statement of Changes in Equity

Year ended 31 December 2017

	Share capital	Share premium	Retained earnings	Other reserve	Total equity
1 January 2017	**—**	**—**	**7,761,809**	**3,200,000**	**10,961,809**
Loss for the year and total comprehensive loss for the year	**—**	**—**	**(406,386)**	**—**	**(406,386)**
Issue of 999,999 ordinary shares pursuant to the Reorganisation (Notes 2.1 and 22)	**1,726**	**10,281,904**	**(7,083,630)**	**(3,200,000)**	**—**
Issue of 479,000,000 ordinary shares under the Capitalisation Issue (Note 22)	**826,717**	**(826,717)**	**—**	**—**	**—**
Issue of 160,000,000 ordinary shares under the IPO (Note 22)	**277,874**	**11,948,593**	**—**	**—**	**12,226,467**
Share issue expenses	**—**	**(1,630,432)**	**—**	**—**	**(1,630,432)**
At 31 December 2017	**1,106,317**	**19,773,348***	**271,793***	**—***	**21,151,458**

	Share capital	Retained earnings	Available-for-sale investment revaluation reserve	Other reserve	Total equity
At 1 January 2016	—	4,416,158	—	3,200,000	7,616,158
Profit for the year	—	3,345,651	—	—	3,345,651
Other comprehensive income for the year:					
— Changes in fair value of an available-for-sale investment, net of tax	—	—	(4,650)	—	(4,650)
— Impairment loss on an available-for-sale investment	—	—	4,650	—	4,650
Other comprehensive income for the year	—	—	—	—	—
Total comprehensive income	—	3,345,651	—	—	3,345,651
At 31 December 2016	—	7,761,809*	—	3,200,000*	10,961,809

* These reserve accounts comprise the consolidated reserves of S$20,045,141 (2016: S$10,961,809) in the consolidated statement of financial position.

Consolidated Statement of Cash Flows

Year ended 31 December 2017

	Notes	2017	2016
Cash flows from operating activities			
Profit before tax		**190,637**	4,044,948
Adjustments for:			
Depreciation	13	**2,076,999**	1,702,186
Impairment loss on an available-for-sale investment	7	**—**	4,650
Gain on disposal of items of property, plant and equipment	5	**(68,507)**	(17,283)
Finance costs	6	**175,464**	119,347
Interest income	5	**(36,963)**	—
		2,337,630	5,853,848
Increase in trade receivables		**(1,141,958)**	(502,823)
Decrease in deposits and other receivables		**174,580**	148,261
(Increase)/decrease in prepayments		**(109,844)**	22,583
Increase/(decrease) in trade payables		**1,214,064**	(528,129)
Increase/(decrease) in other payables and accruals		**465,555**	(70,268)
Cash generated from operations		**2,940,027**	4,923,472
Income tax paid		**(292,336)**	(327,039)
Interest received		**36,963**	—
Net cash flows generated from operating activities		**2,684,654**	4,596,433
Cash flows from investing activities			
Purchases of items of property, plant and equipment	13	**(938,664)**	(730,832)
Proceeds from disposal of items of property, plant and equipment		**92,425**	20,999
Net cash flows used in investing activities		**(846,239)**	(709,833)
Cash flows from financing activities			
Issuance of share capital — net of share issue expenses		**10,596,035**	—
New loans and borrowings		**292,000**	1,030,000
Increase in pledged deposits	30(b)	**(502,135)**	(2,120)
Repayment of loans and borrowings		**(993,450)**	(542,697)
Repayment of an amount due to a director	30(b)	**—**	(2,577,707)
Repayment of obligations under finance leases		**(3,505,110)**	(2,682,097)
Repayment from/(advance to) a director	30(b)	**100,000**	(100,000)
Interest paid	30(b)	**(175,464)**	(119,347)
Net cash flows generated from/(used in) financing activities		**5,811,876**	(4,993,968)
Net increase/(decrease) in cash and cash equivalents		**7,650,291**	(1,107,368)
Cash and cash equivalents at beginning of year		**1,443,056**	2,550,424
Cash and cash equivalents at end of year		**9,093,347**	1,443,056
Analysis of balances of cash and cash equivalents			
Cash and bank balances	18	**9,093,347**	1,488,087
Bank overdraft	21	**—**	(45,031)
Cash and cash equivalents as stated in the consolidated statement of cash flows		**9,093,347**	1,443,056

1. CORPORATE AND GROUP INFORMATION

The Company is an exempted company with limited liability incorporated in the Cayman Islands. The Company's registered office address is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1–1111, Cayman Islands. The principal place of business of the Company is 19th Floor, Prosperity Tower, 89 Queen's Road Central, Central, Hong Kong. The head office and principal place of business of the Group is 3 Soon Lee Street, #06–03, Pioneer Junction, Singapore 627606.

The Company is an investment holding company. Its subsidiaries are engaged in offering various transport management services to the logistics industry in Singapore, primarily trucking and hubbing.

Information about subsidiaries

Particulars of the Company's subsidiaries are as follows:

Company name	Principal place of business	Issued ordinary capital	Percentage of equity attributable to the Company		Principal activities
			Direct	Indirect	
CA Transportation & Warehousing Pte Ltd ("CA Transportation")	Singapore	S$3,000,000	—	100%	Trucking and hubbing
Nexis Logistics Services Pte Ltd. ("Nexis")	Singapore	S$200,000	—	100%	Trucking and hubbing
New Pine Global Limited ("New Pine")	British Virgin Islands	U$3	100%	—	Investment holding

2.1 REORGANISATION AND BASIS OF PREPARATION

Prior to the Reorganisation (as defined below), all the entities comprising the Group were under the common control of Mr. Chua Kang Lim ("Mr. Chua" or the "Controlling Shareholder") and held by him directly or indirectly. In preparation for the initial public offering (the "IPO") of the Company's shares on GEM of the Stock Exchange, the entities now comprising the Group underwent a group reorganisation (the "Reorganisation") to enable the Company to become the holding company of the Group. Details of the Reorganisation are set out in the section headed "History, Reorganisation and Group Structure" of the Company's prospectus dated 18 October 2017 (the "Prospectus").

The companies now comprising the Group were under the common control of the Controlling Shareholder before and after the Reorganisation. The Group resulting from the Reorganisation is regarded as a continuing entity. Accordingly,the consolidated financial statements of the Group for the year ended 31 December 2016 have been prepared to include the financial statements of the companies now comprising the Group as if the group structure upon the completion of the Reorganisation had been in existence throughout that year, or since the date when the subsidiaries first came under the common control of the Controlling Shareholder where this is a shorter period.

The Group's consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRSs") which include International Accounting Standards ("IASs") and Interpretations promulgated by the International Accounting Standards Board and the disclosure requirements of the Hong Kong Companies Ordinance.

2.1 REORGANISATION AND BASIS OF PREPARATION (continued)

The consolidated financial statements have been prepared under the historical cost convention. The consolidated financial statements are presented in Singapore dollars ("S$") except when otherwise indicated.

Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries (collectively referred to as the "Group") for the year ended 31 December 2017. A subsidiary is an entity (including a structured entity), directly or indirectly, controlled by the Company. Control is achieved when the Group 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 (i.e., existing rights that give the Group the current ability to direct the relevant activities of the investee).

When the Company has, directly or indirectly, less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

(a) the contractual arrangement with the other vote holders of the investee;

(b) rights arising from other contractual arrangements; and

(c) the Group's voting rights and potential voting rights.

The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. The results of subsidiaries are consolidated from the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Profit or loss and each component of other comprehensive income are attributed to the owners of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

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 described above. 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 derecognises (i) the assets (including goodwill) and liabilities of the subsidiary, (ii) the carrying amount of any non-controlling interest and (iii) the cumulative translation differences recorded in equity; and recognises (i) the fair value of the consideration received, (ii) the fair value of any investment retained and (iii) any resulting surplus or deficit in profit or loss. The Group's share of components previously recognised in other comprehensive income is reclassified to profit or loss or retained profits, as appropriate, on the same basis as would be required if the Group had directly disposed of the related assets or liabilities.

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The accounting policies adopted are consistent with those used in the preparation of the Group's historical financial information (the "Historical Financial Information") for the two years ended 31 December 2015 and 2016 and for the five months ended 31 May 2017 included in the accountants' report set out in Appendix I to the Prospectus. All the new and revised standards which are effective for annual financial periods beginning on or after 1 January 2017, together with the relevant transitional provisions, have been adopted by the Group in the preparation of the Historical Financial Information.

2.3 ISSUED BUT NOT YET EFFECTIVE IFRS

The Group has not applied the following new and revised IFRSs that have been issued but are not yet effective, in the financial statements:

Amendments to IFRS 2	*Classification and Measurement of Share-based Payment Transactions*[1]
Amendments to IFRS 4	*Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts*[1]
IFRS 9	*Financial Instruments*[1]
Amendments to IFRS 9	*Prepayment Features with Negative Compensation*[2]
Amendments to IFRS 10 and IAS 28 (2011)	*Sale or Contribution of Assets between an Investor and its Associate Joint Venture*[4]
IFRS 15	*Revenue from Contracts with Customers*[1]
Amendments to IFRS 15	*Clarifications to IFRS 15 Revenue from Contracts with Customers*[1]
IFRS 16	*Leases*[2]
IFRS 17	*Insurance Contracts*[3]
Amendments to IAS 19	*Plan Amendment, Curtailment or Settlement*[2]
Amendments to IAS 28	*Long-term Interests in Associates and Joint Ventures*[2]
Amendments to IAS 40	*Transfers of Investment Property*[1]
IFRIC 22	*Foreign Currency Transactions and Advance Consideration*[1]
IFRIC 23	*Uncertainty over Income Tax Treatments*[2]
Annual Improvements 2014–2016 Cycle	*Amendments to IFRS 1 and IAS 28*[1]
Annual Improvements 2015–2017 Cycle	*Amendments to a number of IFRSs*[2]

1 Effective for annual periods beginning on or after 1 January 2018
2 Effective for annual periods beginning on or after 1 January 2019
3 Effective for annual periods beginning on or after 1 January 2021
4 No mandatory effective date yet determined but available for adoption

Except for IFRS 9, IFRS 15 and IFRS 16, the directors expect that the adoption of the standards and amendments above will have no material impact on the financial statements in the period of initial application. The nature of the impending changes in accounting policies on adoption of IFRS 9, IFRS 15 and IFRS 16 are described below.

2.3 ISSUED BUT NOT YET EFFECTIVE IFRS (continued)

IFRS 9 *Financial Instruments*

IFRS 9 introduces new requirements for classification and measurement of financial assets, impairment of financial assets and hedge accounting. Financial assets are classified according to their contractual cash flow characteristics and the business model under which they are held. The impairment requirements in IFRS 9 are based on an expected credit loss model and replace the IAS 39 incurred loss model.

(a) Classification and measurement

For equity securities, the Group will classify its available-for-sale quoted equity securities to fair value through profit or loss. The Group does not expect any significant impact arising from these changes.

(b) Impairment

IFRS 9 requires the Group to record expected credit losses on all of its debt securities, loans and trade receivables, either on a 12-month or lifetime basis. The Group will apply the simplified approach and record lifetime expected losses on all trade receivables. The Group does not expect any significant impact from these changes.

The Group will adopt the new standard on the required effective date without restating prior periods' information and will recognise any difference between the previous carrying amount and the carrying amount as at the beginning of the annual reporting period at the date of initial application in the opening retained earnings.

IFRS 15 and Clarifications to IFRS 15 *Revenue from Contracts with Customers*

IFRS 15 establishes a five-step model to account for revenue arising from contracts with customers. Under IFRS 15, revenue is recognised at an amount that reflects the consideration which an entity expects to be entitled in exchange for transferring goods or services to a customer.

The new revenue standard will supersede all current revenue recognition requirements under IFRS. Either a full retrospective application or a modified retrospective application is required for annual periods beginning on the initial application of the standard. The Group will adopt IFRS 15 from 1 January 2018 and plans to adopt the modified retrospective approach.

During the year, the Group has performed an assessment on the impact of the adoption of IFRS 15. The Group is in the business of offering various transport management services and expects that the adoption of IFRS 15 will have no material impact on the financial statements in the period of initial application. However, there will be additional disclosures upon the adoption of IFRS 15.

2.3 ISSUED BUT NOT YET EFFECTIVE IFRS (continued)

IFRS 16 *Leases*

IFRS 16 requires lessees to recognise most leases on the statement of financial position to reflect the rights to use the leased assets and the associated obligations for lease payments as well as the corresponding interest expense and depreciation charges. The standard includes two elective recognition exemptions for lessees — leases of "low value" assets and short-term leases. At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset. Lessees will be also required to remeasure the lease liability upon the occurrence of certain events (e.g., a change in the lease term, a change in future lease payments resulting from a change in an index or rate used to determine those payments). The lessee will generally recognise the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset. Lessor accounting under IFRS 16 is substantially unchanged from today's accounting under IAS 17. Lessors will continue to classify all leases using the same classification principle as in IAS 17 and distinguish between two types of leases: operating and finance leases. IFRS 16 also requires lessees and lessors to make more extensive disclosures than under IAS 17. IFRS 16 is effective for annual periods beginning on or after 1 January 2019. Early application is permitted, but not before an entity applies IFRS 15. A lessee can choose to apply the standard using either a full retrospective or a modified retrospective approach. The standard's transition provisions permit certain reliefs. The Group is still assessing the impact on its financial performance and position resulting from the adoption of IFRS 16 for the annual period beginning 1 January 2019. As set out in note 28, the Group had total future minimum lease payments under non-cancellable operating leases of S$759,000 as at 31 December 2017. The directors do not expect the adoption of IFRS 16 as compared with the current accounting policy would result in a significant impact on the Group's results but it is expected that a certain portion of these lease commitments will be required to be recognised in the statement of financial position as right-of-use assets and lease liabilities, thus resulting in increases in total assets and total liabilities, earnings before interest, tax, depreciation and amortisation and the gearing ratio.

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The consideration transferred is measured at the acquisition date fair value which is the sum of the acquisition date fair values of assets transferred by the Group, liabilities assumed by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree that are present ownership interests and entitle their holders to a proportionate share of net assets in the event of liquidation at fair value or at the proportionate share of the acquiree's identifiable net assets. All other components of non-controlling interests are measured at fair value. Acquisition-related costs are expensed as incurred.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts of the acquiree.

If the business combination is achieved in stages, the previously held equity interest is remeasured at its acquisition date fair value and any resulting gain or loss is recognised in profit or loss.

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Business combinations and goodwill (continued)

Any contingent consideration to be transferred by the acquirer is recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability is measured at fair value with changes in fair value recognised in profit or loss. Contingent consideration that is classified as equity is not remeasured and subsequent settlement is accounted for within equity.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred, the amount recognised for non-controlling interests and any fair value of the Group's previously held equity interests in the acquiree over the identifiable net assets acquired and liabilities assumed. If the sum of this consideration and other items is lower than the fair value of the net assets acquired, the difference is, after reassessment, recognised in profit or loss as a gain on bargain purchase.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is tested for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. The Group performs its annual impairment test of goodwill as at 31 December. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units, or groups of cash-generating units, that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the Group are assigned to those units or groups of units.

Impairment is determined by assessing the recoverable amount of the cash-generating unit (group of cash-generating units) to which the goodwill relates. Where the recoverable amount of the cash-generating unit (group of cash-generating units) is less than the carrying amount, an impairment loss is recognised. An impairment loss recognised for goodwill is not reversed in a subsequent period.

Where goodwill has been allocated to a cash-generating unit (or group of cash-generating units) and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on the disposal. Goodwill disposed of in these circumstances is measured based on the relative value of the operation disposed of and the portion of the cash-generating unit retained.

Impairment of non-financial assets

Where an indication of impairment exists, or when annual impairment testing for an asset is required (other than inventories and financial assets), the asset's recoverable amount is estimated. An asset's recoverable amount is the higher of the asset's or cash-generating unit's value in use and its fair value less costs of disposal, and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case the recoverable amount is determined for the cash-generating unit ("CGU") to which the asset belongs.

An impairment loss is recognised only if the carrying amount of an asset exceeds its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. An impairment loss is charged to profit or loss in the period in which it arises in those expense categories consistent with the function of the impaired asset.

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Impairment of non-financial assets (continued)

An assessment is made as at the end of each reporting period as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such an indication exists, the recoverable amount is estimated. A previously recognised impairment loss of an asset other than goodwill is reversed only if there has been a change in the estimates used to determine the recoverable amount of that asset, but not to an amount higher than the carrying amount that would have been determined (net of any depreciation/amortisation) had no impairment loss been recognised for the asset in prior years. A reversal of such an impairment loss is credited to profit or loss in the period in which it arises.

Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants as at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

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

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — based on quoted prices (unadjusted) in active markets for identical assets or liabilities

- Level 2 — based on valuation techniques for which the lowest level input that is significant to the fair value measurement is observable, either directly or indirectly

- Level 3 — based on valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Related parties

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

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

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

(ii) has significant influence over the Group; or

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

or

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

(i) the entity and the Group are members of the same group;

(ii) one entity is an associate or joint venture of the other entity (or of a parent, subsidiary or fellow subsidiary of the other entity);

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

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

(v) the entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group;

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

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

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

Property, plant and equipment and depreciation

Property, plant and equipment are stated at cost less accumulated depreciation and any impairment losses. The cost of an item of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use.

Expenditure incurred after items of property, plant and equipment have been put into operation, such as repairs and maintenance, is normally charged to profit or loss in the period in which it is incurred. In situations where the recognition criteria are satisfied, the expenditure for a major inspection is capitalised in the carrying amount of the asset as a replacement. Where significant parts of property, plant and equipment are required to be replaced at intervals, the Group recognises such parts as individual assets with specific useful lives and depreciates them accordingly.

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Property, plant and equipment and depreciation (continued)

Depreciation is calculated on the straight-line basis to write off the cost of each item of property, plant and equipment to its residual value over its estimated useful life. The principal annual rate used for this purpose is as follows:

Motor vehicles	—	20% to 10%
Furniture and fittings	—	20%
Office equipment	—	100%
Computers	—	100%
Buildings	—	Over the remaining lease terms
Leasehold improvements	—	50%

Where parts of an item of property, plant and equipment have different useful lives, the cost of that item is allocated on a reasonable basis among the parts and each part is depreciated separately. Residual values, useful lives and the depreciation method are reviewed, and adjusted if appropriate, at least as at the end of each financial year.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on disposal or retirement recognised in profit or loss in the year the asset is derecognised is the difference between the net sales proceeds and the carrying amount of the relevant asset.

Financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as loans and receivables or available-for-sale financial investments. When financial assets are recognised initially, they are measured at fair value plus transaction costs that are attributable to the acquisition of the financial assets.

All regular way purchases and sales of financial assets are recognised on the trade date, that is, the date that the Group commits to purchase or sell the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace.

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such assets are subsequently measured at amortised cost using the effective interest rate method less any allowance for impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and includes fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included in profit or loss. The loss arising from impairment is recognised in profit or loss.

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial assets (continued)

Available-for-sale financial assets

Available-for-sale financial assets include equity and debt securities. Equity investments classified as available-for sale are those, which are neither classified as held for trading nor designated at fair value through profit or loss.

After initial recognition, available-for-sale financial assets are subsequently measured at fair value. Any gains or losses from changes in fair value of the financial assets are recognised in other comprehensive income, except that impairment losses, foreign exchange gains and losses on monetary instruments and interest calculated using the effective interest method are recognised in profit or loss. The cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment when the financial asset is derecognised.

Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when:

- the rights to receive cash flows from the asset have expired; or
- the Group transfers the contractual rights to receive the cash flows of the financial assets; or
- the Group retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients in a "pass-through" arrangement; or
- the Group has transferred its rights to receive cash flows from the asset and either has transferred substantially all the risks and rewards of the asset, or 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 risk and rewards of ownership of the asset. When it has neither transferred nor retained substantially all 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 the Group's 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 the 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.

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Impairment of financial assets

The Group assesses as at the end of each reporting period whether there is any objective evidence that a financial asset or a group of financial assets is impaired. An impairment exists if one or more events that occurred after the initial recognition of the asset have an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Evidence of impairment may include indications that a debtor or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation and observable data indicating that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

Financial assets carried at amortised cost

For financial assets carried at amortised cost, the Group first assesses individually whether objective evidence of impairment exists for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Group determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be, recognised are not included in a collective assessment of impairment.

The amount of any impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not yet been incurred). The present value of the estimated future cash flows is discounted at the financial asset's original effective interest rate (i.e., the effective interest rate computed at initial recognition).

The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognised in profit or loss. Interest income continues to be accrued on the reduced carrying amount and is accrued using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. Loans and receivables together with any associated allowance are written off when there is no realistic prospect of future recovery and all collateral has been realised or has been transferred to the Group.

If, in a subsequent period, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognised, the previously recognised impairment loss is increased or reduced by adjusting the allowance account. If a write-off is later recovered, the recovery is credited to profit or loss.

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Impairment of financial assets (continued)

Available-for-sale financial instruments

For available-for-sale financial investments, the Group assesses as at the end of each reporting period whether there is objective evidence that an investment or a group of investments is impaired.

In the case of equity investments classified as available for sale, objective evidence would include a significant or prolonged decline in the fair value of an investment below its cost. "Significant" is evaluated against the original cost of the investment and "prolonged" against the period in which the fair value has been below its original cost. Where there is evidence of impairment, the cumulative loss — measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that investment previously recognised in profit or loss — is removed from other comprehensive income and recognised in profit or loss. Impairment losses on equity instruments classified as available for sale are not reversed through profit or loss. Increases in their fair value after impairment are recognised directly in other comprehensive income.

The determination of what is "significant" or "prolonged" requires judgement. In making this judgement, the Group evaluates, among other factors, the duration or extent to which the fair value of an investment is less than its cost.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as loans and borrowings.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings, net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payables, accruals and loans and borrowings.

Subsequent measurement

The subsequent measurement of financial liabilities depends on their classification as described below:

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost, using the effective interest rate method unless the effect of discounting would be immaterial, in which case they are stated at cost. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the effective interest rate method amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included in finance costs in profit or loss.

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial liabilities (continued)

Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled, or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and a recognition of a new liability, and the difference between the respective carrying amounts is recognised in profit or loss.

Offsetting of financial instruments

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

Cash and cash equivalents

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise cash on hand and demand deposits and short term highly liquid investments that are readily convertible into known amounts of cash, are subject to an insignificant risk of changes in value, and have a short maturity of generally within three months when acquired, less bank overdrafts which are payable on demand and form an integral part of the Group's cash management.

For the purpose of the consolidated statement of financial position, cash and bank balance comprise cash on hand and at banks, including term deposits, and assets similar in nature to cash which are not restricted as to use.

Leases

Finance leases which transfer to the Group substantially all the risks and rewards incidental to ownership of the leased item are capitalised at the inception of the lease at the fair value of the leased asset or, if lower, at the present value of the minimum lease payments. Any initial direct costs are also added to the amount capitalised. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability.

Assets acquired through hire purchase contracts of a financing nature are accounted for as finance leases, but are depreciated over their estimated useful lives. The finance costs of such leases are charged to profit or loss so as to provide a constant periodic rate of charge over the lease terms. Contingent rents, if any, are charged as expenses in the periods in which they are incurred.

Leases where substantially all the rewards and risks of ownership of assets remain with the lessor are accounted for as operating leases. Operating lease payments are recognised as an expense in profit or loss on a straight-line basis over the lease term. The aggregate benefit of incentives provided by the lessor is recognised as a reduction of rental expense over the lease term on a straight-line basis.

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Provisions

A provision is recognised when a present obligation (legal or constructive) has arisen as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation.

When the effect of discounting is material, the amount recognised for a provision is the present value as the end of the reporting period of the future expenditures expected to be required to settle the obligation. The increase in the discounted present value amount arising from the passage of time is included in finance costs in profit or loss.

Income taxes

Income tax comprises current and deferred tax. Income tax relating to items recognised outside profit or loss is recognised outside profit or loss, either in other comprehensive income or directly in equity.

Current income tax

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of each reporting period, taking into consideration interpretations and practices prevailing in the countries in which the Group operates.

Deferred tax

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

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

— where the deferred income tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

— in respect of taxable temporary differences associated with investments in subsidiaries, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Income taxes (continued)

Deferred tax (continued)

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

— where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

— in respect of deductible temporary differences associated with investments in subsidiaries, deferred income tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

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

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

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

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

Goods and services tax ("GST")

Revenues, expenses and assets are recognised net of the amount of GST except where the GST incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable.

Receivables and payables are stated with the amount of GST included.

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

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Government grants

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

When the Group receives grants of non-monetary assets, the asset and the grant are recorded at nominal amounts and released to profit or loss over the expected useful life in a pattern of consumption of the benefit of the underlying asset by equal annual instalments.

Revenue

Revenue is recognised when it is probable that the economic benefits will flow to the Group and when the revenue can be measured reliably, on the following bases:

(a) Rendering of services

The majority of revenue is derived from the provision of transport management services, such as trucking and hubbing of customer products.

Trucking income is recognised when cargoes, primarily containers, are delivered from the customers' designated pick up points to their designated delivery points. Cargo delivery is normally completed within one day.

Hubbing income is recognised over the respective storage periods on a straight-line basis.

(b) Interest income

Interest income is recognised on an accrual basis using the effective interest method by applying the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, when appropriate, to the net carrying amount of the financial asset.

Employee benefits

(a) Defined contribution plans

The Group makes contributions to the Central Provident Fund ("CPF") scheme in Singapore, a defined contribution pension scheme. These contributions are recognised as an expense in the period in which the related service is performed.

(b) Employee leave entitlement

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

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Borrowing costs

Borrowing costs consist of interest and other costs that the Group incurs in connection with the borrowing of funds. Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, i.e., assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets. The capitalisation of such borrowing costs ceases when 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 capitalised. All other borrowing costs are expensed in the period in which they are incurred.

Dividend

Final dividends are recognised as a liability when they are approved by the shareholders in a general meeting.

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

Foreign currency

These financial statements are presented in S$, which is the Company's functional and presentation currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. Foreign currency transactions recorded by the entities in the Group are initially recorded using their respective functional currency rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency rates of exchange ruling at the end of the reporting period. Differences arising on settlement or translation of monetary items are recognised in profit or loss.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of the Group's financial statements require management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and their accompanying disclosures. Uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amounts of the assets or liabilities affected in the future.

Judgements

Management is of the opinion that there is no significant judgement, apart from those involving estimations, made in applying accounting policies that has a significant effect on the amounts recognised in these financial statements.

Estimates

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

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (continued)

Estimates (continued)

Impairment of non-financial assets

The Group assesses whether there are any indicators of impairment for all non-financial assets as at the end of the reporting period. Non-financial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable. Impairment exists when the carrying value of an asset or cash-generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a discounted cash flow ("DCF") model. The cash flows are derived from the budget and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes.

Impairment of financial assets not carried at fair value

The Group assesses as at the end of the reporting period whether there is any objective evidence that a financial asset is impaired. To determine whether there is objective evidence of impairment, the Group considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments.

Where there is objective evidence of impairment, the amount and timing of future cash flows are estimated based on historical loss experience for assets with similar credit risk characteristics.

Impairment of an available-for-sale investment

The Group records impairment charges on an available-for-sale investment when there has been a significant or prolonged decline in the fair value below their cost. The determination of what is "significant" or "prolonged" requires judgement. In making this judgement, the Group evaluates, among other factors, historical share price movements and the duration and extent to which the fair value of an investment is less than its cost.

4. SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on their services and has two reportable segments as follows:

(a) the trucking segment refers to the provision of cargo transportation and other related services. The Group offers cargo transportation services, primarily of containers, from customers' designated pick up points to their designated delivery points within Singapore.

(b) the hubbing segment refers to the offering of the Group's container storage facility at its logistics yard to its customers.

Management monitors the operating results of the Group's business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on reportable segment profit, which is a measure of adjusted profit before tax. The adjusted profit before tax is measured consistently with the Group's profit before tax except that other income, finance costs, as well as corporate and other unallocated expenses are excluded from such measurement.

4. SEGMENT INFORMATION (continued)

Segment assets exclude deferred tax assets, an available-for-sale investment, pledged deposits, cash and bank balances and other unallocated head office and corporate assets as these assets are managed on a group basis.

Segment liabilities exclude tax payable, loans and borrowings, deferred tax liabilities and other unallocated head office and corporate liabilities as these liabilities are managed on a group basis.

Year ended 31 December 2017	Trucking S$	Hubbing S$	Total S$
Segment revenue			
Sales to external customers	25,619,718	5,202,341	30,822,059
Segment results	4,255,105	2,580,169	6,835,274
Reconciliation			
Other income			284,072
Finance costs			(175,464)
Administrative expenses			(6,753,245)
Profit before tax			190,637
Segment assets	17,195,497	1,889,379	19,084,876
Reconciliation			
Deferred tax assets			78,360
Available-for-sale investment			6,750
Pledged deposits			806,710
Cash and bank balances			9,093,347
Corporate and other unallocated assets			1,285,182
Total assets			30,355,225
Segment liabilities	2,335,621	91,389	2,427,010
Tax payable			448,454
Loans and borrowings			5,038,536
Deferred tax liabilities			654,633
Corporate and other unallocated liabilities			635,134
Total liabilities			9,203,767
Other segment information			
Depreciation	1,599,851	325,000	1,924,851
Unallocated amounts			152,148
			2,076,999
Capital expenditure*	5,150,358	–	5,150,358

* Represented additions to property, plant and equipment

4. SEGMENT INFORMATION (continued)

Year ended 31 December 2016	Trucking *S$*	Hubbing *S$*	Total *S$*
Segment revenue			
Sales to external customers	22,054,945	4,953,717	27,008,662
Segment results	3,147,662	3,097,922	6,245,584
Reconciliation			
Other income			392,968
Finance costs			(119,347)
Administrative expenses			(2,474,257)
Profit before tax			4,044,948
Segment assets	12,411,077	2,330,202	14,741,279
Reconciliation			
Available-for-sale investment			6,750
Pledged deposits			304,575
Cash and bank balances			1,488,087
Corporate and other unallocated assets			1,132,929
Total assets			17,673,620
Segment liabilities	1,112,898	21,844	1,134,742
Tax payable			298,915
Loans and borrowings			4,609,246
Deferred tax liabilities			421,125
Corporate and other unallocated liabilities			247,783
Total liabilities			6,711,811
Other segment information			
Depreciation	1,426,194	239,683	1,665,877
Unallocated amounts			36,309
			1,702,186
Capital expenditure*	1,737,472	1,000,000	2,737,472

* Represented additions to property, plant and equipment

4. SEGMENT INFORMATION (continued)

Information about major customers

Revenue from each major customer which accounted for 10% or more of the Group's revenue is set out below:

	2017 **S$**	2016 *S$*
Customer A	**11,588,551**	11,044,344
Customer B	**3,265,167**	5,304,305
Customer C	**4,524,775**	3,010,965

The revenue from the above major customers was derived from both the trucking and hubbing segments.

Information about geographical areas

Since all of the Group's revenue and profit were generated from the provision of trucking and hubbing services in Singapore and all of the Group's non-current assets were located in Singapore for the years ended 31 December 2017 and 2016, no geographical segment information in accordance with IFRS 8 Operating Segments is provided.

5. REVENUE AND OTHER INCOME

Revenue represents the value of services rendered, net of GST, during the year.

An analysis of revenue and other income is as follows:

	2017 **S$**	2016 *S$*
Revenue		
Trucking services	**25,619,718**	22,054,945
Hubbing services	**5,202,341**	4,953,717
	30,822,059	27,008,662
Other income		
Gain on disposal of items of property, plant and equipment	**68,507**	17,283
Interest income	**36,963**	—
One-off incentive for wage subsidies	**178,602**	375,685
	284,072	392,968

There were no unfulfilled conditions or contingencies relating to the wage subsidies received from the Singapore Government.

6. FINANCE COSTS

	2017 S$	2016 S$
Interest on finance leases	**86,065**	64,504
Interest on bank and other loans*	**89,399**	54,843
	175,464	119,347

* Including bank overdrafts

7. PROFIT BEFORE TAX

The Group's profit before tax is arrived at after charging:

	2017 S$	2016 S$
Depreciation (Note 13)	**2,076,999**	1,702,186
Employee benefits (excluding directors' remuneration (Note 8))		
— Salaries and wages	**7,860,117**	7,430,943
— CPF contributions	**687,761**	733,373
	8,547,878	8,164,316
Impairment loss on an available-for-sale investment	**—**	4,650
Auditor's remuneration	**156,797**	23,331
Exchange loss	**88,187**	—
IPO related expenses	**3,108,059**	—
Rental expenses	**1,524,564**	1,267,564

8. DIRECTORS' REMUNERATION

The Company did not have any chief executive, executive directors, non-executive directors and independent non-executive directors at any time during the year ended 31 December 2016 since the Company was incorporated in the Cayman Islands on 10 February 2017. On the date of incorporation of the Company, Mr. Chua Kang Lim and Ms. Chua Sui Feng were appointed as executive directors of the Company.

The executive directors received remuneration from the subsidiaries now comprising the Group, for their appointment as directors of these subsidiaries. The remuneration of each of these directors as recorded in the financial statements of the Group's subsidiaries is set out below:

	Fees	Salaries and bonuses	CPF contributions	Total
	S$	*S$*	*S$*	*S$*
Year ended 31 December 2017				
Chua Kang Lim	**120,000**	**421,072**	**18,457**	**559,529**
Chua Sui Feng	**—**	**111,612**	**18,975**	**130,587**
	120,000	**532,684**	**37,432**	**690,116**
Year ended 31 December 2016				
Chua Kang Lim	100,000	389,250	18,745	507,995
Chua Sui Feng	—	79,525	13,520	93,045
	100,000	468,775	32,265	601,040

Mr. Dax Teo Tak Sin, Mr. Kwong Choong Kuen and Ms. Grace Choong Mai Foong were appointed as the Company's independent non-executive directors on 25 September 2017. During the year ended 31 December 2016, the independent non-executive directors did not receive the directors' remuneration in the capacity of independent non-executive directors.

8. DIRECTORS' REMUNERATION (continued)

The fees paid to independent non-executive directors during the year were as follows:

	2017	2016
	S$	S$
Dax Teo Tak Sin	5,000	—
Kwong Choong Kuen	6,251	—
Grace Choong Mai Foong	5,000	—
	16,251	—

There were no other emoluments payable to the independent non-executive directors during the year (2016: Nil).

There was no arrangement under which a director waived or agreed to waive any remuneration during the year (2016: Nil).

9. FIVE HIGHEST PAID EMPLOYEES

The five highest paid employees during the year included two directors (2016: one director), details of whose remuneration are set out in note 8 above. Details of the remuneration for the remaining three (2016: four) highest paid employees who are neither a director nor chief executive of the Group are as follows:

	2017	2016
	S$	S$
Salaries and bonuses	371,000	407,831
CPF contributions	50,670	54,992
Total	421,670	462,823

The number of non-director and non-chief executive highest paid employees whose remuneration fell within the following band is as follows:

	2017	2016
Nil to HK$1,000,000	3	4

During the year and in the prior year, no emoluments were paid by the Group to the highest paid individuals as an inducement to join or upon joining the Group or as compensation for loss of office (2016: Nil).

10. INCOME TAX

Pursuant to the rules and regulations of the Cayman Islands and the British Virgin Islands, the Group is not subject to any income tax in the Cayman Islands and the British Virgin Islands.

The Group is subject to income tax on an entity basis on profits arising in or derived from the jurisdictions in which members of the Group are domiciled and operate.

No Hong Kong profits tax has been provided since no assessable profit arose in Hong Kong during the year (2016: Nil).

The Singapore statutory income tax rate has been provided at the rate of 17% (2016: 17%) for the year. Income tax expense of the Group relates wholly to the taxable profits of its two operating subsidiaries which were taxed at the statutory tax rate of 17% in Singapore. Major components of income tax expense for the years ended 31 December 2017 and 2016 are:

	2017	2016
	S$	*S$*
Current tax — Singapore		
— Charge for the year	**468,572**	319,920
— Overprovision in respect of prior years	**(26,697)**	(8,866)
Deferred tax (note 14)	**155,148**	388,243
Total tax charge for the year	**597,023**	699,297

A reconciliation of the tax charge applicable to profit before tax at the statutory rate for the jurisdiction in which the Company's subsidiaries are domiciled to the tax charge at the Group's effective tax rate is as follows:

	2017	2016
	S$	*S$*
Profit before tax	**190,637**	4,044,948
Tax at Singaporean statutory tax rate of 17%	**32,408**	687,641
Expenses not deductible for tax	**656,014**	298,096
Effects of partial tax exemption and tax rebate	**(25,925)**	(68,458)
Tax relief	**(38,399)**	(198,538)
Overprovision in respect of prior years	**(26,697)**	(8,866)
Others	**(378)**	(10,578)
Tax charge at the Group's effective tax rate	**597,023**	699,297

Tax relief mainly related to accelerated deductions claimed for wear and tear of qualifying fixed assets purchased and used in business.

11. DIVIDENDS

The directors do not recommend the payment of any dividend in respect of the year (2016: Nil).

12. (LOSS)/EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY

	2017	2016
	S$	*S$*
(Loss)/profit attributable to the ordinary equity holders of the Company	**(406,386)**	3,345,651
Weighted average number of ordinary shares in issue	**512,876,712**	480,000,000
Basic and diluted (loss)/earnings per share	**(0.0008)**	0.0070

The calculation of the basic (loss)/earnings per share is based on the (loss)/profit for the year attributable to the ordinary equity holders of the Company and the weighted average number of ordinary shares in issue.

The weighted average number of ordinary shares in issue used in the calculation of basic (loss)/earnings per share for the years ended 31 December 2017 and 2016 is based on the assumption that 480,000,000 ordinary shares of the Company are in issue and issuable, comprising an aggregate of 1,000,000 ordinary shares issued on 10 February 2017 and 25 September 2017, respectively and 479,000,000 ordinary shares issued under the Capitalisation Issue (note 22), as if those shares were outstanding throughout the years.

The Group had no potentially dilutive ordinary shares in issue during the years ended 31 December 2017 and 2016.

13. PROPERTY, PLANT AND EQUIPMENT

	Motor vehicles	Furniture and fittings	Office equipment	Computers	Buildings	Leasehold improvements	Total
	S$	S$	S$	S$	S$	S$	S$
Cost							
At 1 January 2016	22,619,714	1,971	590	31,701	824,985	–	23,478,961
Additions	2,737,472	–	–	52,260	–	–	2,789,732
Disposals	(202,924)	–	–	–	–	–	(202,924)
At 31 December 2016 and 1 January 2017	25,154,262	1,971	590	83,961	824,985	–	26,065,769
Additions	5,150,358	–	–	53,468	365,000	50,719	5,619,545
Disposals	(1,147,848)	–	–	–	–	–	(1,147,848)
At 31 December 2017	29,156,772	1,971	590	137,429	1,189,985	50,719	30,537,466
Accumulated depreciation							
At 1 January 2016	13,585,496	1,971	590	31,701	82,577	–	13,702,335
Charge for the year	1,665,877	–	–	6,305	30,004	–	1,702,186
Disposals	(199,208)	–	–	–	–	–	(199,208)
At 31 December 2016 and 1 January 2017	15,052,165	1,971	590	38,006	112,581	–	15,205,313
Charge for the year	1,924,851	–	–	88,337	42,678	21,133	2,076,999
Disposals	(1,123,930)	–	–	–	–	–	(1,123,930)
At 31 December 2017	15,853,086	1,971	590	126,343	155,259	21,133	16,158,382
Net book value							
At 31 December 2016	10,102,097	–	–	45,955	712,404	–	10,860,456
At 31 December 2017	13,303,686	–	–	11,086	1,034,726	29,586	14,379,084

Assets held under finance leases

For the year ended 31 December 2017, the Group acquired motor vehicles with an aggregate cost of S$4,680,881 (2016: S$2,058,900) by means of finance leases. The cash outflows on acquisition of property, plant and equipment amounted to S$938,664 (2016: S$730,832) for the year ended 31 December 2017. The carrying amount of motor vehicles held under finance leases were S$12,282,207 (2016: S$9,104,983) as at 31 December 2017. Leased assets are pledged as securities for the related finance lease liabilities.

Assets pledged as securities

In addition to the assets held under finance leases, the Group's buildings with an aggregate carrying amount of S$1,034,726 (2016: S$712,404) were mortgaged to secure the Group's bank loans as at 31 December 2017 (Note 21 (b)(i)).

14. DEFERRED TAX

The components of deferred tax assets and liabilities with the net balance recognised in the consolidated statement of financial position and the movements during the year are as follows:

Deferred tax liabilities arising from:

	Provisions	Excess of net book values of plant and equipment over tax values	Total
	S$	S$	S$
At 1 January 2016	—	386,763	386,763
Charged to profit or loss during the year (note 10)	959	230,691	231,650
At 31 December 2016 and 1 January 2017	959	617,454	618,413
Credited to profit or loss during the year (note 10)	(959)	(18,754)	(19,713)
At 31 December 2017	—	598,700	598,700

Deferred tax assets arising from:

	Tax benefit available for offsetting against future taxable profits
	S$
At 1 January 2016	353,881
Charged to profit or loss during the year (note 10)	(156,593)
At 31 December 2016 and 1 January 2017	197,288
Charged to profit or loss during the year (note 10)	(174,861)
At 31 December 2017	22,427

14. DEFERRED TAX (continued)

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

	2017	2016
	S$	*S$*
Net deferred tax assets recognised in the consolidated statement of financial position	**78,360**	—
Net deferred tax liabilities recognised in the consolidated statement of financial position	**(654,633)**	(421,125)
	(576,273)	(421,125)

There are no income tax consequences attaching to the payment of dividends by the Group to its shareholders.

15. AVAILABLE-FOR-SALE INVESTMENT

	2017	2016
	S$	*S$*
Non-current:		
Listed equity investment, at fair value	**6,750**	6,750

During the year ended 31 December 2016, the Group recognised an impairment loss of S$4,650 for the quoted equity security as there was “significant” or “prolonged” decline in the fair value of this investment below its cost. During the year ended 31 December 2017, the Group did not recognise any additional impairment loss. The Group regards “significant” generally as 20% and “prolonged” as greater than twelve months.

16. DEPOSITS AND OTHER RECEIVABLES

	2017	2016
	S$	*S$*
Non-current:		
Deposits	**66,500**	87,948
Current:		
Other receivables	**1,373**	35,111
Advance to a director	**—**	100,000
Deposits	**20,329**	151,511
GST receivable	**11,788**	—
	33,490	286,622

None of the above assets are either past due or impaired. The financial assets included in the above balances relate to receivables for which there was no recent history of default. The balance of other receivables and advance to a director are unsecured, interest-free and have no fixed terms of repayment.

17. TRADE RECEIVABLES

	2017	2016
	S$	*S$*
External parties	**5,781,140**	4,639,182

Trade receivables are all non-interest-bearing and are generally repayable on terms of 30 to 60 days.

An ageing analysis of the trade receivables as at the end of the reporting period, based on the invoice dates, is as follows:

	2017	2016
	S$	*S$*
Less than 30 days	**2,980,180**	2,555,729
31 to 60 days	**1,837,638**	1,564,159
61 to 90 days	**493,692**	285,914
More than 90 days	**469,630**	233,380
Total	**5,781,140**	4,639,182

As at the end of the reporting period, the Group's trade receivables were not impaired. The ageing analysis of the trade receivables that are neither individually nor collectively considered to be impaired is as follows:

	2017	2016
	S$	*S$*
Neither past due nor impaired	**4,234,141**	3,262,896
Less than 30 days past due	**798,780**	891,515
31 to 60 days past due	**464,722**	251,464
61 to 90 days past due	**175,237**	233,307
More than 90 days	**108,260**	—
Total	**5,781,140**	4,639,182

See note 26 about credit risk of trade receivables which explains how the Group manages and measures credit quality of trade receivables that are neither past due nor impaired.

Receivables that were past due but not impaired relate to a number of customers that have a good track record with the Group. Based on past experience, the Company's directors are of the opinion that no provision for impairment is necessary in respect of these balances as there has not been a significant change in credit quality and the balances are still considered fully recoverable.

18. CASH AND BANK BALANCES AND PLEDGED DEPOSITS

	2017	2016
	S$	S$
Cash and bank balances	**9,093,347**	1,488,087
Time deposits	**806,710**	304,575
	9,900,057	1,792,662
Less: Pledged time deposits:		
Pledged for bank overdraft facility (Note 21 (b)(ii))	**(806,710)**	(304,575)
Cash and bank balances	**9,093,347**	1,488,087

Cash at banks are denominated in S$ and Hong Kong dollars ("HK$"), and earn interest at floating rates based on daily bank deposit rates. The bank balances and pledged deposits are deposited with creditworthy banks with no recent history of default.

Cash and bank balances denominated in HK$ amounted to S$6,808,753 (2016: Nil) as at 31 December 2017.

19. TRADE PAYABLES

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

An ageing analysis of the trade payables as at the end of the reporting period, based on the invoice dates, is as follows:

	2017	2016
	S$	S$
Less than 30 days	**1,688,762**	664,226
31 to 60 days	**171,113**	18,496
61 to 90 days	**13,483**	3,144
More than 90 days	**26,733**	161
	1,900,091	686,027

20. OTHER PAYABLES AND ACCRUALS

	2017	2016
	S$	S$
Accrued liabilities	**905,492**	656,607
GST payable	**—**	39,891
Other payables	**256,561**	—
	1,162,053	696,498

Other payables and accruals are non-interest-bearing and are normally repayable on demand.

21. LOANS AND BORROWINGS

	2017 S$	2016 S$
Current:		
Finance lease payables (note 29)	**2,070,944**	1,875,328
Bank overdraft — secured	**—**	45,031
Bank loans — secured	**102,414**	45,162
Bank loans — unsecured	**74,455**	127,184
Other loans — unsecured	**—**	701,139
	2,247,813	2,793,844
Non-current:		
Finance lease payables (note 29)	**1,910,476**	930,321
Bank loans — secured	**624,325**	481,932
Bank loans — unsecured	**255,922**	403,149
	2,790,723	1,815,402
Total	**5,038,536**	4,609,246
Analysed into:		
Bank loans and overdraft:		
Within one year or on demand	**176,869**	217,377
In the second year	**181,817**	186,294
In the third to fifth years, inclusive	**465,184**	442,866
Beyond five years	**233,246**	255,921
	1,057,116	1,102,458
Other borrowings:		
Within one year or on demand	**2,070,944**	2,576,467
In the second year	**1,371,246**	624,865
In the third to fifth years, inclusive	**539,230**	305,456
	3,981,420	3,506,788
	5,038,536	4,609,246

21. LOANS AND BORROWINGS (continued)

Notes:

(a) Finance leases

The finance lease obligations are secured by charges over the leased assets, details of which are set out in note 13 to these financial statements. For the year ended 31 December 2017, the average effective interest rate of the leases was 2.71% (2016: 2.49%) per annum.

(b) Bank loans, bank overdraft and other loans

For the year ended 31 December 2017, the effective interest rates of the Group's bank loans, bank overdraft and other loans ranged from 1.7% to 6.75% (2016: 1.7%.to 10.88%) per annum.

The Group's secured bank loans and overdraft are secured by:

(i) mortgages over the Group's buildings situated in Singapore, which had an aggregate carrying amount of S$1,034,726 (2016: S$712,404) as at 31 December 2017;

(ii) time deposits with carrying amounts of S$806,710 (2016: S$304,575) as at 31 December 2017; and

(iii) joint and several personal guarantees provided by the directors of the Company.

22. SHARE CAPITAL

The movements in the Company's authorised and issued share capital during the period from 10 February 2017 (date of incorporation) to 31 December 2017 are as follows:

	Notes	**Number of ordinary shares**	**Nominal value of ordinary shares** *HK$*
Authorised:			
38,000,000 ordinary shares of HK$0.01 each on 10 February 2017 (date of incorporation)		38,000,000	380,000
Increase of 4,962,000,000 ordinary shares of HK$0.01 each on 25 September 2017	(b)	4,962,000,000	49,620,000
At 31 December 2017		5,000,000,000	50,000,000
Issued and fully paid:			
Issue of 1 ordinary share of HK$0.01 each on the date of incorporation of the Company	(a)	1	0.01
Issue of 999,999 ordinary shares of HK$0.01 each pursuant to the Reorganisation	(a)	999,999	9,999.99
Issue of 479,000,000 ordinary shares of HK$0.01 each under the Capitalisation Issue	(c)	479,000,000	4,790,000
Issue of 160,000,000 ordinary shares of HK$0.01 each under the IPO	(d)	160,000,000	1,600,000
At 31 December 2017		640,000,000	6,400,000

22. SHARE CAPITAL (continued)

Notes:

(a) 1 ordinary share and 999,999 ordinary shares of HK$0.01 each were issued and allotted to Ventris Global Limited on 10 February 2017 and 25 September 2017 respectively.

(b) Pursuant to an ordinary resolution passed on 25 September 2017, the authorised share capital of the Company was increased from HK$380,000 to HK$50,000,000 by the creation of 4,962,000,000 additional ordinary shares of HK$0.01 each.

(c) Pursuant to an ordinary resolution passed on 25 September 2017, 479,000,000 ordinary shares of HK$0.01 each were issued, allotted and credited as fully paid at par by way of capitalisation from the share premium account to the holders of shares whose names appeared on the register of members of the Company at the close of business on 25 September 2017 in proportion to their respective shareholdings (the "Capitalisation Issue"). This allotment and the Capitalisation Issue were conditional on the share premium account being credited as a result of the offering of new ordinary shares in connection with the Company's IPO as detailed in note (d) below.

(d) In connection with the Company's IPO, 160,000,000 ordinary shares of HK$0.01 each were issued at a price of HK$0.44 per share for a total cash consideration before expenses of approximately HK$70,400,000. Dealings in the Company's shares on the GEM of the Stock Exchange commenced on 18 October 2017.

23. RESERVES

The amounts of the Group's reserves and the movements therein for the current and prior years are presented in the consolidated statement of changes in equity on page 34 of these financial statements.

Available-for-sale investment revaluation reserve

Available-for-sale investment revaluation reserve represents the cumulative fair value changes of an available-for-sale investment until it is disposed of or impaired.

Other reserve

Other reserve represents the aggregate issued share capital of the subsidiaries comprising the Group.

24. RELATED PARTY TRANSACTIONS

Compensation of key management personnel

	2017	2016
	S$	*S$*
Remuneration paid to key management personnel (including directors' remuneration (note 8))	**1,053,213**	844,228

25. FINANCIAL INSTRUMENTS

(a) Financial instruments by category

The carrying amounts of each of the categories of financial instruments as at the end of the reporting period are as follows:

	2017	2016
	S$	*S$*
Loans and receivables:		
Pledged deposits	**806,710**	304,575
Cash and bank balances	**9,093,347**	1,488,087
Trade receivables	**5,781,140**	4,639,182
Deposits and other receivables	**99,990**	374,570
	15,781,187	6,806,414
Available-for-sale investment	**6,750**	6,750
Financial liabilities measured at amortised cost:		
Trade payables	**1,900,091**	686,027
Financial liabilities included in other payables and accruals	**822,041**	390,029
Loans and borrowings	**5,038,536**	4,609,246
	7,760,668	5,685,302

(b) Fair values of financial instruments

Fair value hierarchy

The following tables illustrate the fair value measurement hierarchy of the Group's financial instruments:

Assets measured at fair value:

	Quoted prices in active markets (Level 1)	**Significant observable inputs (Level 2)**	**Significant unobservable inputs (Level 3)**	**Total**
	S$	*S$*	*S$*	*S$*
31 December 2017				
Available-for-sale investment:				
Equity investment	**6,750**	**–**	**–**	**6,750**
31 December 2016				
Available-for-sale investment:				
Equity investment	6,750	–	–	6,750

25. FINANCIAL INSTRUMENTS (continued)

(b) Fair values of financial instruments (continued)

Fair value hierarchy (continued)

Liabilities for which fair values are disclosed:

	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
	S$	*S$*	*S$*	*S$*
31 December 2017				
Finance lease payables	**—**	**3,981,420**	**—**	**3,981,420**
Bank loans, bank overdraft and other loans	**—**	**1,057,116**	**—**	**1,057,116**
Total	**—**	**5,038,536**	**—**	**5,038,536**
31 December 2016				
Finance lease payables	—	2,805,649	—	2,805,649
Bank loans, bank overdraft and other loans	—	1,803,597	—	1,803,597
Total	—	4,609,246	—	4,609,246

The carrying amounts of the finance lease payables, bank loans, bank overdraft and other loans are reasonable approximation of their fair values, primarily because of the relative short-term nature of these loans and borrowings as well as the relative stable interest rate environment in which the Group has been operating during the year.

26. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group is exposed to financial risks arising from its operations and the use of financial instruments.

The main risks arising from the Group's financial instruments are interest rate risk, credit risk and liquidity risk. The board of directors reviews and agrees policies for managing each of these risks and they are summarised below.

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 loans and borrowings. All of the Group's financial assets and liabilities at floating rates are contractually re-priced at intervals of less than six months from the end of the reporting period.

The Group's policy is to manage interest cost using a mix of fixed and floating rate debts. The Group's policy is to keep 60% to 80% (2016: 60% to 90%) of its loans and borrowings at fixed rates of interest for the year. Approximately 77% (2016: 98%) of the Group's loans and borrowings are at fixed rates of interest as at 31 December 2017.

Sensitivity analysis for interest rate risk

As at the end of the reporting period, if interest rates had been 75 basis points higher for the Group's floating rate debts with all other variables held constant, the Group's profit before tax for the years ended 31 December 2017 and 2016 would have remained substantially unchanged. The assumed movement in basis points for interest rate sensitivity analysis is based on the currently observable market environment, showing a significantly higher volatility as in the prior year.

Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group's main exposure to credit risk arises primarily from trade and other receivables. The credit risk on such trade and other receivables is minimal as the Group adopts the policy of dealing only with customers and counterparties of appropriate credit history.

Exposure to credit risk

As at the end of the reporting period, the Group's maximum exposure to credit risk represented the carrying amount of each class of financial assets recognised in the consolidated statement of financial position.

Credit risk concentration profile

The Group manages concentration of credit risk by monitoring the individual profile of its trade receivables on an ongoing basis.

As at 31 December 2017, approximately 72% (2016: 69%) of the Group's trade receivables were due from the top three customers.

26. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Financial assets that are neither past due nor impaired

Trade and other receivables that are neither past due nor impaired relate to creditworthy debtors with good payment record with the Group. Cash and cash equivalents are placed with or entered into with reputable financial institutions or companies with no history of default.

Financial assets that are past due but not impaired

Information regarding financial assets that are past due but not impaired is disclosed in note 17 to these financial statements.

Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting financial obligations due to a shortage of funds.

The Group's exposure to liquidity risk arises in the general funding of the Group's operating activities. The Group's cash and bank balances and operating cash flows are actively managed to ensure adequate working capital requirements and that repayment and funding needs are met.

The table below summarises the maturity profile of the Group's financial liabilities as at the end of the reporting period, based on the contractual undiscounted repayment obligations.

	31 December 2017				31 December 2016			
	1 year or less	**1 to 5 years**	**Over 5 years**	**Total**	1 year or less	1 to 5 years	Over 5 years	Total
	S$	**S$**	**S$**	**S$**	S$	S$	S$	S$
Trade and other payables	**2,722,132**	**–**	**–**	**2,722,132**	1,076,056	–	–	1,076,056
Finance lease payables	**2,150,977**	**1,948,250**	**–**	**4,099,227**	1,922,009	951,438	–	2,873,447
Bank loans, bank overdraft and other loans	**208,802**	**712,940**	**244,443**	**1,166,185**	955,599	712,126	269,256	1,936,981
	5,081,911	**2,661,190**	**244,443**	**7,987,544**	3,953,664	1,663,564	269,256	5,886,484

27. CONTINGENT LIABILITIES

Performance guarantees were given by the financial institutions and insurance companies on behalf of the Group to certain suppliers. The Group in turn, provides a counter indemnity to the financial institutions and insurance companies. The aggregate amount of the performance guarantees given by the financial institutions and insurance companies was S$640,000 as at 31 December 2017 (2016: S$610,000).

28. COMMITMENTS

(a) Operating lease commitments

The Group leases its logistics yard under operating lease arrangements.

Leases for the logistics yard are negotiated for terms ranging from one to three years.

The Group had total future minimum lease payments under non-cancellable operating leases falling due as follows:

	2017	2016
	S$	*S$*
Within one year	**759,000**	1,479,000
In the second to fifth years, inclusive	**–**	759,000
	759,000	2,238,000

(b) Capital commitments

	2017	2016
	S$	*S$*
Contracted, but not provided for:		
Capital expenditure in respect of acquisition of items of property, plant and equipment	**–**	1,320,000

29. FINANCE LEASE PAYABLES

The Group leases some of its motor vehicles under finance lease arrangements. These leases have remaining lease terms ranging from one to five years.

As at the end of the reporting period, the total future minimum lease payments under finance leases and their present values were as follows:

	2017		2016	
	Minimum lease payments S$	**Present value of minimum lease payments S$**	Minimum lease payments S$	Present value of minimum lease payments S$
Not later than one year	**2,150,977**	**2,070,944**	1,922,009	1,875,328
In the second year	**1,403,015**	**1,371,246**	641,989	624,865
In the third to fifth years, inclusive	**545,235**	**539,230**	309,449	305,456
Total minimum finance lease payments	**4,099,227**	**3,981,420**	2,873,447	2,805,649
Less: Amounts representing future finance charges	**(117,807)**	**–**	(67,798)	–
Total net finance lease payables	**3,981,420**	**3,981,420**	2,805,649	2,805,649
Portion classified as current liabilities	**(2,070,944)**		(1,875,328)	
Non-current portion	**1,910,476**		930,321	

30. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

(a) Major non-cash transactions

During the year, the Group entered into finance lease arrangements in respect of motor vehicles with a total capital value at the inception of the leases of S$4,680,881 (2016: S$2,058,900).

(b) Reconciliation of liabilities arising from financing activities

Reconciliation of liabilities and assets arising from financing activities during the year are as follows:

			Non-cash changes		
	At 1 January 2017	**Changes from financing cash flows**	**Acquisition of property, plant and equipment**	**Other changes**	**At 31 December 2017**
	S$	***S$***	***S$***	***S$***	***S$***
Pledged deposits	**(304,575)**	**(502.135)**	**—**	**—**	**(806,710)**
Loans and borrowings	**4,564,215**	**(4,206,560)**	**4,680,881**	**—**	**5,038,536**
Advance to a director included in deposits and other receivables	**(100,000)**	**100,000**	**—**	**—**	**—**
Interest payable	**—**	**(175,464)**	**—**	**175,464**	**—**
	4,159,640	**(4,784,159)**	**4,680,881**	**175,464**	**4,231,826**

			Non-cash changes		
	At 1 January 2016	Changes from financing cash flows	Acquisition of property, plant and equipment	Other changes	At 31 December 2016
	S$	*S$*	*S$*	*S$*	*S$*
Pledged deposits	(302,455)	(2,120)	—	—	(304,575)
Loans and borrowings	4,700,109	(2,194,794)	2,058,900	—	4,564,215
Amount due to a director included in other payables and accruals	2,577,707	(2,577,707)	—	—	—
Advance to a director included in deposits and other receivables	—	(100,000)	—	—	(100,000)
Interest payable	—	(119,347)	—	119,347	—
	6,975,361	(4,993,968)	2,058,900	119,347	4,159,640

31. CAPITAL MANAGEMENT

The primary objective of the Group's capital management is to safeguard its ability to continue as a going concern in order to support its business and maximise shareholders' value.

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes for managing capital during the years ended 31 December 2017 and 31 December 2016.

The gearing ratios which are total loans and borrowings divided by the total equity as at the end of the reporting period were as follows:

	2017	2016
	S$	*S$*
Total loans and borrowings	**5,038,536**	4,609,246
Total equity	**21,151,458**	10,961,809
Gearing ratio	**23.8%**	42.0%

32. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

Information about the statement of financial position of the Company as at the end of the reporting period is as follows:

	2017
	S$
Non-current assets	
Investment in subsidiary	10,283,630
Current assets	
Deposits and other receivables	110,651
Prepayments	109,844
Cash and bank balances	6,807,840
Total current assets	7,028,335
Current liabilities	
Other payables and accruals	174,935
Net current assets	6,835,400
Net assets	17,137,030
Equity	
Share capital	1,106,317
Reserves (note)	16,030,713
Total equity	17,137,030

32. STATEMENT OF FINANCIAL POSITION OF THE COMPANY (continued)

Note: A summary of the Company's reserves is as follows:

Company	Share premium	Accumulated losses	Total
	S$	*S$*	*S$*
At date of incorporation	–	–	–
Loss for the year and total comprehensive loss for the year	–	(3,742,635)	(3,742,635)
Issue of 999,999 ordinary shares pursuant to the Reorganisation (Notes 2.1 and 22)	10,281,904	–	10,281,904
Issue of 479,000,000 ordinary shares under the Capitalisation Issue (Note 22)	(826,717)	–	(826,717)
Issue of 160,000,000 shares under the IPO (Note 22)	11,948,593	–	11,948,593
Share issue expenses	(1,630,432)	–	(1,630,432)
At 31 December 2017	19,773,348	(3,742,635)	16,030,713

33. APPROVAL OF THE FINANCIAL STATEMENTS

These financial statements were approved and authorised for issue by the board of directors on 21 March 2018.

Three Year Financial Summary

A summary of the results and of the assets and liabilities of the Group for the last three financial years, as extracted from the published audited financial statements, is set out below:

	Year ended 31 December		
	2015	2016	**2017**
	S$	*S$*	***S$***
RESULTS			
Revenue	27,684,381	27,008,662	**30,822,059**
Cost of sales	(22,059,670)	(20,763,078)	**(23,986,785)**
Gross profit	5,624,711	6,245,584	**6,835,274**
Other income	428,741	392,968	**284,072**
Administrative expenses	(2,302,888)	(2,474,257)	**(6,753,245)**
Finance costs	(159,897)	(119,347)	**(175,464)**
Profit before tax	3,590,667	4,044,948	**190,637**
Income tax expense	(545,663)	(699,297)	**(597,023)**
Profit/(loss) for the year	3,045,004	3,345,651	**(406,386)**
Other comprehensive income:			
Other comprehensive income to be reclassified to profit or loss in subsequent periods:			
Available-for-sale investment:			
Changes in fair value	(13,800)	(4,650)	**–**
Reclassification adjustments for losses included in profit or loss			
— Impairment losses	17,053	4,650	**–**
Other comprehensive income for the year	3,253	—	**–**
Total comprehensive income/(loss) for the year	3,048,257	3,345,651	**(406,386)**

	31 December 2015	31 December 2016	**31 December 2017**
	S$	*S$*	***S$***
ASSETS AND LIABILITIES			
TOTAL ASSETS	17,350,183	17,673,620	**30,355,225**
TOTAL LIABILITIES	(9,734,025)	(6,711,811)	**(9,203,767)**
	7,616,158	10,961,809	**21,151,458**