C&N Holdings Limited
春能控股有限公司*

Incorporated in the Cayman Islands with limited liability

Stock Code: 8430

2023
ANNUAL REPORT

* For identification purpose only

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

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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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Corporate Information

EXECUTIVE DIRECTORS

Mr. Chua Kang Lim
Ms. Fung Mee Kuen

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Cheung Wai Kin
Ms. Lo Suet Lai (resigned on 1 July 2023)
Ms. Wong Shuk Yee Camilla
Ms. Wong Ching Wan (appointed on 1 July 2023)

COMPANY SECRETARY

Mr. Lai Nga Ming Edmund (resigned on 19 July 2023)
Ms. Jim Shuk Yan (appointed on 19 July 2023)

AUTHORISED REPRESENTATIVES

(for the purposes of the GEM Listing Rules)
Mr. Chua Kang Lim
Mr. Lai Nga Ming Edmund (resigned on 19 July 2023)
Ms. Jim Shuk Yan (appointed on 19 July 2023)

AUTHORISED REPRESENTATIVES

(for the purposes of the Companies Ordinance)
Mr. Lai Nga Ming Edmund (resigned on 19 July 2023)
Ms. Jim Shuk Yan (appointed on 19 July 2023)

AUDIT COMMITTEE

Mr. Cheung Wai Kin *(Chairman)*
Ms. Lo Suet Lai (resigned on 1 July 2023)
Ms. Wong Shuk Yee Camilla
Ms. Wong Ching Wan (appointed on 1 July 2023)

REMUNERATION COMMITTEE

Ms. Wong Shuk Yee Camilla *(Chairwoman)*
Mr. Cheung Wai Kin
Ms. Lo Suet Lai (resigned on 1 July 2023)
Ms. Wong Ching Wan (appointed on 1 July 2023)

NOMINATION COMMITTEE

Ms. Lo Suet Lai *(Chairwoman)* (resigned on 1 July 2023)
Ms. Wong Ching Wan *(Chairwoman)* (appointed on 1 July 2023)
Ms. Wong Shuk Yee Camilla
Mr. Cheung Wai Kin

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

21st Floor, CMA Building, 64 Connaught Road Central, Hong Kong

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

McMillan Woods (Hong Kong) CPA Limited
Certified Public Accountants
24/F., Siu On Centre, 188 Lockhart Road, Wan Chai, 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

Chairman's Statement

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 2023, together with the comparative figures for the year ended 31 December 2022.

Our customers are mainly logistics service providers along the supply chain in Singapore and Hong Kong. The cargoes that we transport for our customers include various types of plastic resin, scrap steel, paper products and others. These cargoes are mainly for import/export business, hence any disruptions in the global trade economy will directly impact our customers, and hence the Group.

REVIEW

Our Group's revenue comprised of revenue from provision of transport and storage services to the logistics industry in Singapore and Hong Kong. For the year ended 31 December 2023, the revenue of the Group decreased by approximately S$2,781,000 or approximately 11.8% to approximately S$23,463,000 compared to the year ended 31 December 2022.

The Group's gross result turnaround from loss of approximately S$1,599,000 for the year ended 31 December 2022 to profit of approximately S$1,243,000 for the year ended 31 December 2023. Gross profit margin turnaround from loss of 6.1% for the year ended 31 December 2022 to profit of 5.3% for the year ended 31 December 2023. The turnaround in gross profit margin is mainly due to the decrease in cost of diesel as compared to the year ended 31 December 2022.

The Group recorded a loss for the year of approximately S$5,114,000 for the year ended 31 December 2023 compared to a loss for the year of approximately S$8,664,000 for the year ended 31 December 2022.

PROSPECTS

Considering 2024 to be an unprecedented year, Singapore is forecasting its gross domestic product ("GDP") forecast to grow at 1% to 3%. We have already witnessed the impact of COVID-19 on trade activities in 2021, and we believe that the economy and our Group is better prepared for any potential disruptions resulting. The coming year promises to continue to be a challenging and volatile year for the Group. Management is constantly monitoring the global trade economy and in constant discussion with our customers to understand the situation and their needs. Besides, in order to increase shareholder's return, the Group will put efforts to evaluate the feasibility of obtaining necessary licenses to carry out various transport management services to the logistics industry in other Asian countries.

APPRECIATION

On behalf of the Board, I would like to thank shareholders and our business partners, suppliers and customers for their continuous support to the Group. My heartfelt appreciation also goes to our management and colleagues for their dedication and valuable contributions to the Group in the past year. We will pragmatically develop our business and strive for the best return for our shareholders.

Chua Kang Lim
Chairman, executive Director and chief executive officer

28 March 2024

BUSINESS REVIEW

The Group is a provider of transport and storage services to the logistics industry in Singapore and Hong Kong, offering trucking and hubbing services to the 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 the Group's logistics yard or other locations designated by the customers.

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.

Our customers are mainly logistics service providers along the supply chain in Singapore and Hong Kong, the cargoes that we transport for our customers include various types of plastic resin, scrap steel, waste paper products and others. These cargoes are mainly raw materials used in factory production, hence the resumption of activities in ports and factories will directly have a positive impact on our customers, and hence the Group.

FINANCIAL REVIEW

Revenue

The Group's revenue comprised of revenue from provision of transport and hubbing services to the logistics industry in Singapore and Hong Kong. For the year ended 31 December 2023, the revenue of the Group decreased by approximately S$2,781,000 or approximately 11.8% to approximately S$23,463,000 compared to the year ended 31 December 2022. The decrease was mainly attributable to the decrease in revenue from tracking services and the decrease in revenue from hubbing services. The following table sets forth the revenue of the Group by revenue type for the periods indicated:

	2023		2022	
	S$'000	**%**	*S$'000*	%
Trucking services	**21,336**	**90.9**	22,182	84.5
Hubbing services	**2,127**	**9.1**	4,062	15.5
	23,463	**100.0**	26,244	100.0

Revenue from trucking services

Revenue from trucking services decreased by approximately S$846,000 to approximately S$21,336,000 for the year ended 31 December 2023, representing an 3.8% decrease. The decrease was mainly due to decrease in trading volume.

Revenue from hubbing services

Revenue from hubbing services decreased by 47.6% or approximately S$1,935,000. 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, who are mainly freight forwarders and global logistics companies.

However, the increase/decrease in hubbing revenue will not be proportionate to the trend in revenue from trucking services due to the following reasons: (i) different customers and different job orders may have different service requirements, 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.

For the year ended 31 December 2023, the vessels started to arrive more timely reducing the need for extended hubbing hence the decrease in revenue from hubbing services.

Gross (loss)/profit

The overall gross result turnaround from loss of approximately S$1,599,000 for the year ended 31 December 2022 to profit of approximately S$1,243,000 for the year ended 31 December 2023, mainly due to the decrease in cost of diesel as compared to the year ended 31 December 2022. The overall gross profit margin turnaround from loss of 6.1% for the year ended 31 December 2022 to profit of 5.3% for the year ended 31 December 2023. The table below sets forth a breakdown of gross profit and gross profit margin by revenue type for the periods indicated:

	2023		2022	
	S$'000	***Gross loss margin***	*S$'000*	*Gross profit margin*
Trucking services	**2,729**	**12.8**	(933)	(4.2)
Hubbing services	**(1,486)**	**(69.9)**	(666)	(16.4)
	1,243	**5.3**	(1,599)	(6.1)

Gross (loss)/profit from trucking services

The gross profit margin for trucking services turnaround from loss of approximately 4.2% for the year ended 31 December 2022 to profit of approximately 12.8% for the year ended 31 December 2023 mainly due to the decrease in cost of diesel as compared to the year ended 31 December 2022. As more than a third of the costs for trucking services pertained to fixed costs like wages and depreciation, an decrease in cost of diesel will increase the gross profit margin.

Gross (loss)/profit from hubbing services

The gross profit margin for hubbing services decreased from loss of 16.4% for the year ended 31 December 2022 to loss of approximately 69.9% for the year ended 31 December 2023 mainly due to more timely arrival of vessels that resulted in the decrease in need from customers for hubbing services.

Other income

Other income decreased by approximately S$59,000 from approximately S$235,000 for the year ended 31 December 2022 to approximately S$175,000 for the year ended 31 December 2023. The decrease was mainly attributed to the decrease of the receipt of government grants mainly from Singapore as compared to the year ended 31 December 2022.

Administrative expenses

Administrative expenses comprised mainly of office expenses, staff costs, auditor's remuneration and compliance costs. Total administrative expenses increased to approximately S$6,297,000 for the year ended 31 December 2023 from approximately S$5,946,000 for the year ended 31 December 2022.

Income tax credit

The Group's income tax credit was amounted to approximately S$383,000 for the year ended 31 December 2022, while there was no income tax credit for the year ended 31 December 2023.

Loss for the year

Due to the combined effect of the aforesaid factors, we recorded a loss of approximately S$5,114,000 for the year ended 31 December 2023, representing an increase of approximately S$3,550,000 as compared to the loss of approximately S$8,664,000 for the year ended 31 December 2022.

Liquidity and Financial Resources and Capital Structure

As at 31 December 2023, the Group had total assets of approximately S$17,588,000 (2022: approximately S$18,277,000), which is financed by total liabilities and shareholders' equity (comprising share capital, share premium and retained earnings) of approximately S$3,465,000 (2022: approximately S$4,550,000) and approximately S$14,123,000 (2022: approximately S$13,727,000) respectively. The current ratio as at 31 December 2023 of the Group was approximately 3.1 times (2022: approximately 2.1 times).

As at 31 December 2023, the Group had cash and cash equivalents of approximately S$1,665,000 (2022: approximately S$2,253,000) which were placed with major banks in Singapore and Hong Kong.

The bank borrowings and lease liabilities of the Group as at 31 December 2023 was approximately S$1,568,000 (2022: approximately S$2,314,000). The gearing ratio (calculated based on bank borrowings and lease liabilities divided by total equity) of the Group as of 31 December 2023 was 11.1% (2022: 16.9%).

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 a foreign exchange loss of approximately S$112,000 (2022: loss of approximately S$14,000) as Hong Kong dollars depreciated (2022: depreciated) against Singapore dollars.

Management Discussion and Analysis

Future Plans for Material Investments and Capital Assets

Save as disclosed in the Company's prospectus dated 6 October 2017 (the "Prospectus") and in this report, the Group did not have other plans for material investments or capital assets as of 31 December 2023.

Material Acquisitions and Disposals of Subsidiaries, Associates and Joint Ventures

During the year ended 31 December 2023, except for disclosed elsewhere in the annual report, the Group did not have any material acquisitions or disposals of subsidiaries, associates or joint ventures.

Significant Investments Held

The Group did not hold any significant investments during the year ended 31 December 2023.

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$670,000 as at 31 December 2023 (2022: S$670,000).

Capital Commitments

As at 31 December 2023, the Group had no capital commitment (2022: Nil).

Employee Information and Remuneration Policies

As at 31 December 2023, the Group had an aggregate of 130 employees (2022: 140).

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$9,256,000 for the year ended 31 December 2023 (2022: approximately S$9,405,000).

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.

Comparison of business objectives with actual business progress

Business strategies up to 30 June 2019 as stated in the Prospectus	Implementation plan	Actual business progress up to 31 December 2022
Purchase new vehicles to expand our current transportation fleet capabilities	— Purchase of 30 units of Euro VI compliant prime movers and 40 units of trailers	The Group has purchased 11 units of Euro VI and 15 units of trailers.[1]
Purchase a new office to incorporate an increase in our workforce	— Purchase an industrial unit with area of around 1,000 square feet located at Pioneer Junction as additional office space	The Group has purchased an office unit located at Pioneer Junction.[2]
	— Renovation of the new office	
Strengthen our information technology system	— Obtain quotation, finish installation and implementation test of tailor-made container tracing system	The Group has finished installation of the system.
	— Obtain quotation, finish installation and implementation test of tailor-made enterprise resources planning system	The Group has finished installation of the system.
	— Obtain quotation, purchase and finish installation and set-up of computer work stations, servers and ancillary equipment	The Group has purchased and finished installation and set-up of computer work stations servers and ancillary equipment.
Expand our workforce to support our business expansion	— Hire one financial controller and two finance executives in finance department, and three operation staffs in operation departments	The Group has hired a financial controller, finance executives and three operation staffs.
	— Hire additional 27 experienced truck drivers, with recruitment cost for the new workforce	The Group has hired 27 drivers, not factoring those drivers with a short turnover.

[1] As at 30 June 2019, approximately HK$26,062,000 was allocated for the enhancement of capacity for transport and storage services through acquisition of new vehicles. As stated in the Prospectus, the Group intended to use the net proceeds to acquire Euro VI compliant prime movers that are more environmentally friendly. Based on our initial understanding, Euro VI compliant prime movers was set to come into force in Singapore from 1 January 2018. However, Euro VI was only available in the market in the fourth quarter of 2018.

In addition, being in the transportation business, the Group is dependent on the global trade movement. A number of the Group's customers had either put their expansion plans on hold or reduced the sales volume to the Group. Seeing the uncertainty of business volume from our customers and current fleet utilisation rate, management decided to monitor market conditions and wait for better visibility on our customers' growth. As such, acquisition of 10 units of Euro VI was made in 2019, after its introduction in the market in the last quarter of 2018. The Group has also purchased 10 units of trailers. During the year ended 31 December 2021, the Group has also purchased 1 Unit of Euro VI and 5 units of trailers. During the year ended 31 December 2022, the Group has acquired 4 heavy goods vehicles and made deposit to order 4 more vehicles .

2 As at 30 June 2019, approximately HK$2,619,000 was allocated for the purchase of a new office to incorporate an increase in our workforce. Up to the date of the report, the Group has completed the purchase in June 2021.

Use of Proceeds from Share Offer

	Planned use of proceeds as shown in the Prospectus (adjusted on a pro rata basis based on the actual net proceeds)	Amount of the net proceeds utilised up to 31 December 2017	Amount of the net proceeds utilised up to 31 December 2018	Amount of the net proceeds utilised up to 31 December 2019	Amount of the net proceeds utilised up to 31 December 2020	Amount of the net proceeds utilised up to 31 December 2021	Amount of the net proceeds utilised up to 31 December 2022	Amount of the proceed utilized during the year ended 31 December 2022	Unutilised amount as at 31 December 2022[1]
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Enhancement of capacity for transport and storage services through acquisition of new vehicles	26,062	–	–	8,823	8,823	10,053	26,062	16,009	–
Expansion and enhancement of workforce to support increased business activities	7,923	336	4,544	7,923	7,923	7,923	7,923	–	–
Information technology enhancement to support business activities	4,147	–	–	4,147	4,147	4,147	4,147	–	–
Purchase of office to incorporate an increase in workforce	2,619	–	–	–	–	1,840	2,619	779	–
Working capital and other general	2,365	2,365	2,365	2,365	2,365	2,365	2,365	–	–
	43,116	2,701	6,909	23,258	23,258	26,328	43,116	16,788	–

FUND RAISING ACTIVITIES

Rights Issue

On 21 October 2022, the Board proposed to raise gross proceeds of approximately HK$32.5 million on the basis of three (3) rights shares for every one (1) existing Share held on the record date by issuing 125,126,400 rights shares at the subscription price of HK$0.26 per rights share (assuming no further issue of new Share(s) and no repurchase of Share(s) by the Company on or before the record date as announced by the Company from time to time subject to the approval of the Stock Exchange (the "Record Date")). The rights issue (the "Rights Issue") is only available to the qualifying Shareholders and will not be extended to the excluded Shareholders. The estimated net proceeds (after the deduction of the costs and expenses which the Company will incur in the Rights Issue) will be approximately HK$31.4 million (assuming no further issue of new Share(s) and no repurchase of Share(s) by the Company on or before the Record Date). The Company intends to apply the net proceeds from the Rights Issue for (i) approximately HK$6.2 million for the payment of rental expenses and management fee for the next 12 months; (ii) approximately HK$20.0 million for the payment of salaries of the Group's employees for the next 12 months; and (iii) approximately HK$5.2 million for the working capital for the existing business. The Rights Issue were approved by the Shareholders at the EGM held on 30 December 2022. The Rights Issue was completed in 23 February 2023. For the further details of the Rights Issue, please refer to the prospectus of the Company dated 17 January 2023, the circular of the Company dated 9 December 2022, the announcements of the Company dated 21 October 2022, 1 December 2022 and 13 February 2023.

USE OF PROCEEDS FROM THE RIGHTS ISSUE

As disclosed in the prospectus, the net proceeds (after deducting the placing commission and other related expenses and professional fees) from the Rights Issue were approximately HK$31.4 million. As at 31 December 2023, the Group had utilised approximately HK$30.0 million of the net proceeds as follows:

Implementation Plan	Planned use of proceeds as shown in the prospectus HK$ million	Actually utilised amount up to 31 December 2023 HK$ million
Payment of rental expenses and management fee	6.2	4.8
Payment of salaries of the Group's employees	20.0	20.0
Working capital for the existing business	5.2	5.2
	31.4	30.0

The unutilised proceeds are deposited in a licensed bank in Hong Kong and are expected to be utilised by first half of 2024.

Management Discussion and Analysis

Prospects

The Group continues to strive towards providing customers with timely delivery and storage of their containers, continuing our growth strategy and enhancing overall competitiveness and market share in Singapore. The Singapore economy has decelerated considerably since the end of last year. The slowdown is largely due to contractions in the trade-related sectors amid the ongoing global manufacturing and trade downturn, especially in electronics.

The year promises to continue to be a challenging and volatile year for the Group. Management is constantly monitoring the global trade economy and in constant discussion with our customers to understand the situation and their needs.

The future plans of the Group are detailed in the section headed "Future Plans and Use of Proceeds" in the Prospectus. As disclosed in the Prospectus, the Company 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. With the uncertainty in the global trade economy, the Group is cautious with its expansion plans.

Pledge of Assets

As at 31 December 2023, the carrying amounts of the Group's properties and bank deposits of S$1,007,264 and S$524,252 respectively were pledged for the Group's secured bank borrowings.

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 can be found on pages 56 to 59 of this annual report.

Movements in the share options granted under the Share Option Scheme during the year ended 31 December 2023 is set out below:

	Date of grant	Exercisable period	Exercise price *HK$*	Closing price per share immediately before the date of grant *HK$*	No. of options outstanding as at 1 January 2023	Adjustment as a result of share consideration	Adjustment as a result of right issues	No. of options outstanding as at 31 December 2023	Approximate percentage of the underlying shares for the options in the issued shares of the Company as at 31 December 2023
Employees	21 May 2021	21 May 2021 to 20 May 2024	5.467	0.285	51,200,000	(48,640,000)	109,194	2,669,194 *(Note 1)*	1.60%
	20 January 2022	20 January 2022 to 19 January 2025	2.026	0.102	23,424,000	(22,252,800)	49,956	1,221,156 *(Note 2)*	0.73%
					74,624,000	(70,892,800)	159,150	3,890,350	2.33%

Notes:

1 Options have been granted to 8 employees. Each of them have 333,649 Options

2 Options have been granted to 3 employees. Each of them have 407,052 Options

The Share Option Scheme will expire on 17 October 2027.

No option has been granted, exercised, cancelled or lapsed under the Share Option Scheme during the year ended 31 December 2023. The number of options available for grant under the scheme mandate of the Share Option Scheme at the beginning and the end of the financial year 2023 (the “FY2023”) were both 4,170,880 Shares. The total number of Shares available for issue under each of the Share Option Scheme (including options granted but not yet exercised and options available for issue) was 8,061,230 Shares, representing approximately 4.83% of the total number of issued Shares as at the date of the this report.

Directors and Senior Management Profile

EXECUTIVE DIRECTORS

Mr. Chua Kang Lim (“K L Chua”), aged 70, founder of our Group, is our executive Director, chief executive officer and the chairman of our Board. He has been a director of CA Transportation since February 1992, which is the Company’s subsidiary. He is also a director of New Pine Global Limited, which is also the Company’s subsidiary. Mr. K L Chua is responsible for the overall strategic planning and business development of our Group.

Mr. K L Chua has over 30 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 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. Fung Mee Kuen (“Ms. Fung”), aged 64, is our executive Director. Ms. Fung has over 20 years’ experience in sales and marketing, management and finance industry. She is experienced in financial investment and human resources management. She was a senior management of a sizable finance company which responsible for the risk management, business development, finance and internal control.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Cheung Wai Kin ("Mr. Cheung"), aged 42, is our independent non-executive Director appointed on 23 August 2021. Mr. Cheung is a member of the Hong Kong Institute of Certified Public Accountants and he has over 14 years accounting and auditing experience. Since 27 September 2017, Mr. Cheung has been appointed as the independent non-executive director of Capital VC Limited (Stock Code: 2324), securities of which are listed on the main board of the Stock Exchange.

Ms. Wong Ching Wan, aged 60, is our independent non-executive Director appointed on 1 July 2023. Ms. Wong Ching Wan has over 30 years of management experience in construction and human resources industries. She is currently serving as a director at a sizeable human resources consultancy firm.

Ms. Wong Shuk Yee Camilla ("Ms. Wong"), aged 54, is our independent non-executive Director appointed on 26 January 2022. Ms. Wong graduated from The University of Birmingham with Master of Social Science (Money Banking and Finance). Ms. Wong has over 12 years of financial planning and management experiences. She is the member of The Chinese Institute of Certified Financial Planners and Institute of Financial Planners of Hong Kong and she also qualified as Life Underwriter Training Council Fellow.

SENIOR MANAGEMENT

Ms. Chua Shu Hui ("S H Chua"), aged 46, is our Purchasing and Human Resources Director and joined our Group in June 2011 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 21 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.

COMPANY SECRETARY

Ms. Jim Shuk Yan ("Ms. Jim"), aged 34, is the company secretary of our Company. Ms. Jim does not at as an individual employee of our Company, but as an external service provider. Ms. Jim is the sole proprietor of Ignitions CPA & Co. since 2019, and a practicing partner of The Dawn CPA & Co. since 2023. Ms. Jim received a Bachelor of Arts (Honours) in Accountancy from the Edinburgh Napier University and is a fellow member of the Hong Kong Institute of Certified Public Accountants. She has accumulated extensive experience in accounting and audit field.

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 14 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 Corporate Governance Code and Corporate Governance Report (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 1 January 2023 to 31 December 2023, except for Code Provision A.2.1 of the CG Code — segregation of the roles of chairman and chief executive officer.

Details of the corporate governance practices in compliance with the CG code under the principle of "Comply or Explain" are set out in this Corporate Governance Report, which is reviewed and approved by the Board.

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 2023.

NON-COMPETITION UNDERTAKING

Ventris Global Limited and Mr. Chua Kang Lim (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 date of listing of the share of the Company on GEM (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 1 January 2023 and up to the date of this annual report.

THE BOARD OF DIRECTORS

The Board is comprised of five members, with two executive Directors ("ED") and three independent non-executive Directors ("INED") as presented in below table. The Board considers that it has fulfilled the principles and requirements set out in code provision A.1.1.

	Name	Role	Years of Services	No. of Attendance/ No. of Meeting AGM	Board Meeting
1	Mr. Chua Kang Lim	Chairman & CEO	7 years	1/1	11/11
2	Ms. Fung Mee Kuen	ED	2.3 years	1/1	11/11
3	Mr. Cheung Wai Kin	INED	2.3 year	1/1	11/11
4	Ms. Wong Ching Wan (appointed on 1 July 2023)	INED	0.5 year	–	11/11
5	Ms. Wong Shuk Yee Camilla	INED	1.9 year	1/1	11/11

The board meetings, extraordinary general meeting and annual general meeting are chaired by our Chairman, Mr. Chua, Kang Lim.

On an annual basis, the Directors must disclose to the Company the number and nature of offices they hold in public companies or organizations and/or other significant commitments. The Board is of the view that all our Directors have devoted sufficient time and attention to their duties and the Company's affairs.

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. Chua Kang Lim is acting as the chairman and the chief executive officer.

In view of Mr. Chua Kang Lim 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.

Directors' Independence

The Board has reviewed the relationship among all Directors and is satisfied that they are independent from any financial, business, family or other material/relevant relationship(s).

Each independent non-executive director has provided their annual independence confirmations based on which the Board is satisfied that all independent non-executive directors are independent and in compliance with the independence guidelines set out in the GEM Listing Rules 5.09.

Directors' Training and Continuous 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.

On appointment to the Board, each Director receives a comprehensive induction package covering business operations, policy and procedures of the Company as well as the general, statutory and regulatory obligations of being a Director to ensure that he/she is sufficiently aware of his/her responsibilities under the GEM Listing Rules and other relevant regulatory requirements.

The Directors are regularly updated and apprised of the amendments to or updates on the relevant laws, rules, regulations and guidelines, particularly the effects of such new or amended laws, rules, regulations and guidelines on directors specifically, and the Company and the Group generally. On an ongoing basis, Directors are encouraged to keep up-to-date on all matters relevant to the Group and to attend briefings, seminars and relevant training courses as appropriate.

During the year ended 31 December 2023, all Directors have participated in continuing professional development by attending training courses organised by the Company and reading relevant materials on topics related to corporate governance and regulatory matters. The Directors have confirmed that they have received the trainings as follows:

Name of Directors	Type of trainings
Mr. Chua Kang Lim	A, B
Ms. Fung Mee Kuen	A, B
Ms. Wong Shuk Yee Camilla	A, B
Mr. Cheung Wai Kin	A, B
Ms. Wong Ching Wan (appointed on 1 July 2023)	A, B

A: attending seminars/conferences/forums

B: reading newspapers, journals and updates relating to the economy, general business, corporate governance and directors' duties and responsibilities

Directors' Responsibilities and Accountabilities

The Board is ultimately responsible for formulating the Group's strategy, developing sustainable business, maintaining a well-balanced and diversified board, preparing true and fair financial statements, and other functions and matters assigned to the Board as set out in the GEM Listing Rules and Articles of Association of the Company.

It is our policy that important matters, such as entering into major contracts and transaction, providing or accepting financial assistance and guarantee must be reserved to the decisions of Board pursuant to the Articles of Association and internal policies of the Company. In overall, the Directors of Board are well aware that they must act in the best interest of the Group and its shareholders.

Our executive director and other senior management of the Group is responsible for the daily management, the execution of Board's decision and plan and the implementation of risk management and internal controls.

Corporate Governance Function

The Board, as a whole, is responsible for the Corporate Governance function of the Group. The main responsibilities include:

(a) Develop and review the Company's policies and practices on corporate governance and make recommendations to the Board;

(b) Review and monitor the training and continuous professional development of Directors and senior management of the Company;

(c) Review and monitor the Company's policies and practices on compliance with legal and regulatory requirements;

(d) Develop, review and monitor the code of conduct and compliance manual (if any) applicable to employees and directors of the Company; and

(e) Review the Company's compliance with the corporate governance code and disclosure in the Corporate Governance Report of the Company.

Directors' Rights

The Directors may, where appropriate, seek independent professional advice for performing their duties of the Group, at the expense of the Group. Directors shall disclose the details of their other duties to the Group and the Board of Directors regularly reviews the contributions of the Directors in the discharge of their duties with the Group.

Directors' Terms of Appointment

All executive Directors, non-executive Directors and independent non-executive Directors are appointed for a specific initial term of three years, subject to re-election or earlier determination in accordance with the Company's Articles of Association and/or applicable laws and regulations.

At each annual general meeting one-third of the Directors (or, if their number is not a multiple of three, the number nearest to but not less than one-third) shall retire from office by rotation provided that every Director shall be subject to retirement at an annual general meeting at least once every three years.

Directors' Insurance Coverage

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

BOARD COMMITTEES

The Board has established three Board Committees, namely the Audit Committee (the "Audit Committee"), the Remuneration Committee (the "Remuneration Committee") and the Nomination Committee (the "Nomination Committee"). All three Board Committee are established, empowered and accountable for duties under relevant terms of references which are available on the Company's and HKEx's websites.

Our Company Secretary is also the company secretary of three Board Committees and is responsible for maintaining full minutes of the three Board Committees which are open for inspection at any reasonable time on reasonable notice by any of our director.

Audit Committee

The Board has established an Audit Committee, composing of three independent non-executive Directors, in compliance with the code provision of the Corporate Governance Code set out in Appendix 15 of the GEM Listing Rules.

The Audit Committee's written terms of reference is adopted on 14 October 2017 and revised on 31 December 2018. The Audit Committee should hold four regular meetings in a year and the necessary quorum shall be at least two, including an independent non-executive Director. Mr. Cheung Wai Kin is the chairman of the Audit Committee and has professional qualifications and experience in accounting and financial management as stipulated in the GEM Listing Rules.

For the financial year ended 31 December 2023, the Audit Committee has fulfilled its main responsibilities including, but not limited to:

1. Review and monitor the relationship with the Company's auditors, including being acting as the key representative body for overseeing the Company's relations with the external auditor, and to be primarily responsible for making recommendations to the Board on the appointment, reappointment and removal of the external auditor, and to approve the remuneration and terms of engagement of the external auditor, and to consider any questions of their resignation or dismissal;

2. Review of the Company's financial information, including monitoring integrity of the Company's financial statements and annual report and accounts, half-year report and quarterly reports, and reviewing significant financial reporting judgments contained in them before submission to the Board.

3. Oversight of the Company's financial reporting system, risk management and internal control systems, including but not limited to:

   (a) Review the Company's financial controls, and unless expressly addressed by a separate Board risk committee, or by the Board itself, to review the Company's risk management and internal control systems;

   (b) Discuss the risk management and internal control systems with management to ensure that management has performed its duty to have risk management and effective systems;

   (c) Review the Company and its subsidiaries' financial and accounting policies and practices;

   (d) Ensure the internal audit function is adequately resourced and has appropriate standing within the Company, and to review and monitor its effectiveness; and

   (e) Review the external auditor's management letter, any material queries raised by the auditor to management about accounting records, financial accounts or systems of control and management's response.

For the financial year ended 31 December 2023, the Audit Committee has held 5 meetings and the attendance of the members is as follows:

The Audit Committee	Position	Key Qualification, Experience or Expertise	No. of Attendance/ No. of Meeting
Mr. Cheung Wai Kin	Chairman	Member of the Hong Kong Institute of Certified Public Accountant	5/5
Ms. Wong Ching Wan (appointed on 1 July 2023)	Member	Business management experience	3/3
Ms. Wong Shuk Yee Camilla	Member	Financial services experience	5/5

The chairman of the Committee or in his absence, another member of the Committee or failing this, his duly appointed delegate, shall attend the annual general meeting of the Company and be prepared to respond to questions at the Annual General Meeting on the Committee's work and responsibilities.

Remuneration Committee

The Board has established a Remuneration Committee, composing of three independent non-executive Directors, in compliance with the code provision of the Corporate Governance Code set out in Appendix 15 of the GEM Listing Rules.

The Remuneration Committee's written terms of reference is adopted on 14 October 2017. The Remuneration Committee should meet at least once a year and the necessary quorum shall be at least two, including an independent non-executive Director. The Company adopts a remuneration committee model set out in B.1.2 (c) (i) of Appendix 15 of the GEM Listing rules.

For the financial year ended 31 December 2023, the Remuneration Committee has fulfilled its main responsibilities including, but not limited to:

1. Make recommendations to the Board on the Company's policy and structure for all directors' and senior management remuneration and on the establishment of a formal and transparent procedure for developing remuneration policy;

2. Review and approve the senior management's remuneration proposals with reference to the Board's corporate goals and objectives;

3. Make recommendations to the Board on the remuneration packages of executive directors, non-executive directors and senior management;

4. Ensure that no director or any of his associates is involved in deciding his own remuneration.

For the financial year ended 31 December 2023, the Remuneration Committee has held three meetings.

The Remuneration Committee	Position	Key Qualification, Experience or Expertise	No. of Attendance/ No. of Meeting
Ms. Wong Shuk Yee Camilla	Chairwoman	Financial services experience	4/4
Mr. Cheung Wai Kin	Member	Member of the Hong Kong Institute of Certified Public Accountant	4/4
Ms. Wong Ching Wan (appointed on 1 July 2023)	Member	Business management experience	3/3

The chairwoman of the Committee or in her absence, another member of the Committee or failing this, her duly appointed delegate, shall attend the annual general meeting of the Company and be prepared to respond to questions at the Annual General Meeting on the Committee's work and responsibilities.

Nomination Committee

The Board has established a Nomination Committee, composing of three independent non-executive Directors, in compliance with the code provision of the Corporate Governance Code set out in Appendix 15 of the GEM Listing Rules.

The Nomination Committee's written terms of reference is adopted on 14 October 2017 and revised on 31 December 2018. The terms of reference requires that the Nomination Committee should meet at least once a year and the necessary quorum shall be at least two, including an independent non-executive Director.

For the financial year ended 31 December 2023, the Nomination Committee has fulfilled its main responsibilities including, but not limited to:

1. review the structure, size and composition (including the gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service) of the Board at least annually and make recommendations on any proposed changes to the Board to complement the Company's corporate strategy, with due regard to the diversity of the Board;

2. identify individuals suitably qualified to become Board members and select or make recommendations to the Board on the selection of individuals nominated for directorships;

3. assess the independence of INEDs;

4. Implement and review the board diversity policy (the "Board Diversity Policy"), as appropriate, recommend any revisions of the Board Diversity Policy to the Board; review the measurable objectives that the Board has set for implementing the Board Diversity Policy, and the progress on achieving the objectives; and disclose the Board Diversity Policy or a subsidiary of such policy, in particular, the measurable objectives that it has set for implementing the Board Diversity Policy and the progress on achieving the objectives and its review results in the Company's corporate governance report annually; and

5. Develop, review and disclose the policy for nomination of directors (the "Nomination Policy"), as appropriate, in the Company's corporate governance report annually. The Nomination Policy shall set out, inter alia, the nomination procedures, process and criteria to select and recommend candidates for directorship.

For the financial year ended 31 December 2023, the Nomination Committee has held four meetings.

The Nomination Committee	Position	Key Qualification, Experience or Expertise	No. of Attendance/ No. of Meeting
Ms. Wong Ching Wan (appointed on 1 July 2023)	Chairwoman	Business management experience	1/1
Mr. Cheung Wai Kin	Member	Member of the Hong Kong Institute of Certified Public Accountant	4/4
Ms. Wong Shuk Yee Camilla	Member	Chartered Accountant of Singapore	4/4

The chairman of the Committee or in his absence, another member of the Committee or failing this, his duly appointed delegate, shall attend the annual general meeting of the Company and be prepared to respond to questions at the Annual General Meeting on the Committee's work and responsibilities.

Nomination Policy

The Board has established key principles, selection criteria and procedures to select and recommend suitable candidates for directorship. The Nomination Committee shall consider a variety of factors in assessing the suitability of a proposed candidate, including but not limited to the following criteria:

(a) Board Diversity Policy;

(b) Reputation;

(c) Independence;

(d) Commitment to the Group;

(e) Qualification, experience and achievements that are relevant and appropriate to the Group's business; and

(f) any other relevant and significant factors as may be considered by the Board.

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, measurable objectives of the 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.

The ultimate decision will be based on merit and contribution that the selected candidates will bring to the Board, having regard to the benefits of diversity on the Board and also the needs of the Board without focusing on a single diversity aspect. 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.

The Board, through the Nomination Committee, review the structure, size and composition of the Board from time to time to ensure that it has a balanced composition of skills and experience appropriate to the requirements of the Company's business, with due regard to the benefits of diversity of the Board.

DIRECTORS' RESPONSIBILITY FOR FINANCIAL STATEMENTS

The Directors are aware of their obligations to prepare true and fair financial statements on an on-going basis in accordance in accordance with applicable statutory requirements and accounting standards.

The Directors are not aware of any material uncertainties that may affect the business of the Group or raise significant questions about the Group's ability to operate on an on-going basis.

COMPANY SECRETARY

Ms. Jim Shuk Yan is the company secretary of the Company as appointed pursuant to Rule 5.14 of the GEM Listing Rules.

Ms. Jim 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. Fung Mee Kuen, an executive Director, as its contact point for Ms. Jim. Ms. Jim has taken no less than 15 hours of relevant professional training for the year ended 31 December 2023.

DIVIDEND POLICY

Provided that the Group is profitable and without affecting the normal operations of the Group, the Company may consider to declare and pay dividends to the shareholders of the Company.

In deciding whether to propose a dividend and in determining the dividend amount, the Board shall take into account various factors, which include, but are not limited to, the operating results and performance, cash flow, financial position, capital requirements and future prospects of the Group, as well as the interests of the shareholders of the Company. Declaration and payment of dividend by the Company are also subject to the laws of the Cayman Islands, the memorandum and articles of association of the Company and any applicable laws, rules and regulations.

For the avoidance of doubt, there can be no assurance that a dividend will be proposed or declared in any specific period. The Board will review the Dividend Policy on a regular basis. Any dividend will be subject to shareholders' approval.

AUDITOR'S STATEMENT AND REMUNERATION

A statement by the Group's auditors on their reporting obligations in respect of the Group's financial statements for the year ended 31 December 2023 is set out in the "Report of the Independent Auditor" section of the annual report.

The remuneration of external auditors of the Company, McMillan Woods (Hong Kong) CPA Limited, in respect of audit services and non-audit services for the year ended 31 December 2023 is set out below:

	Fees paid/payable	
Services Rendered:	**2023**	2022
	S$000	*S$000*
Annual audit services	**120**	120
Non-audit services	**–**	–
Total	**120**	120

RISK MANAGEMENT AND INTERNAL CONTROLS

The Board is responsible for identifying, evaluating, and monitoring key risks associated with its financial, operational and compliance activities. It is also committed to establishing an effective risk management and internal control systems to manage the Group's key risk to a reasonable level.

The Management of the Company adopts a risk assessment process to identify and evaluate key risks or concerned areas in accordance to the significance of effect and likelihood of occurrence. The Board and Audit Committee have reviewed risk assessment, designed and implemented relevant risk responses and internal controls.

The Group does not have an internal audit department. The Board and the Audit Committee have reviewed the need for an internal audit function and consider it more cost-effective to appoint external independent professionals to independently review and continuously evaluate the Group's internal monitoring systems and risk management systems, taking into account the size and nature of the Group. The Board will review the need for an internal audit function at least once a year.

For the financial year ended 31 December 2023, the Company has engaged an independent internal control consultant firm (the "Internal Control Consultant") to review the key business process and internal control systems, policies and procedures from financial, operational and compliance aspects and in accordance to the approved risk assessment and internal audit plan. The Internal Control Consultant has also submitted its independent report, inclusive of the findings and recommendations, to the Board and Audit Committee.

The Board and the Audit Committee hold a view that the risk management and internal control system of the Group are effective and adequate based on their review of report submitted by the Internal Control Consultant, the confirmation they obtained from management on the effectiveness of the Group's risk management and internal control systems, their own understanding of the Company's key risks, policies and procedures, and all other important facts and information known to them.

Inside Information Procedures

The Company has established the following inside information procedure pursuant to the Securities and Futures Ordinance (Cap. 571) (the "SFO") Part XIVA.

1. The Directors and senior management of the Company shall establish an effective system to identify and report inside information that is specific about the Company, not generally known to the public and that has impact on the price of the Company's securities;

2. The Directors, as soon as they are aware of any inside information, shall assess the information and document the process and result of the assessment, particularly in relation to the disclosure and confidentiality requirement;

3. The Directors and senior management and any relevant persons who might have access to the inside information shall not to deal in the Company's securities when they are in possession of unpublished inside information;

4. The Directors and senior management and any relevant persons who might have access to the inside information shall take reasonable due care for safeguarding the confidentiality of unpublished inside information;

5. The Directors shall ensure timely, fair and comprehensive dissemination of inside information, in principle of maintaining a fair and informed market, including issuing announcements and/or requesting trading halt in situation of unexpected and significant event.

SHAREHOLDERS' RIGHT

The Group is dedicated in providing shareholders and investors with accurate and timely information regarding the Group's financial and operational performance, important development and major events through annual, interim reports and announcements. All published information is uploaded to the Group's website at https://www.cnlimited.com/.

Right to Convening an Extraordinary General Meeting

The procedure to convene an extraordinary general meeting is set out in the Article of the Company effective from 18 October 2017. The Board may whenever it thinks fit call extraordinary general meetings. Any one or more Members holding at the date of deposit of the requisition not less than one-tenth of the paid up capital of the Company carrying the right of voting at general meetings of the Company shall at all times have the right, by written requisition to the Board or the Secretary of the Company, to require an extraordinary general meeting to be called by the Board for the transaction of any business specified in such requisition; and such meeting shall be held within two months after the deposit of such requisition.

If within twenty-one days of such deposit the Board fails to proceed to convene such meeting the requisitionist(s) himself (themselves) may do so in the same manner, and all reasonable expenses incurred by the requisitionist(s) as a result of the failure of the Board shall be reimbursed to the requisitionist(s) by the Company.

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 the Company's principal place of business in Hong Kong: 21st Floor, CMA Building, 64 Connaught Road 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.

Procedures for putting forward proposals at shareholders' meetings

To put forward proposals at a shareholders' 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.

INVESTORS' RELATIONSHIP

During the period from Listing Date to 31 December 2023, there had been some changes in the Company's constitutional documents with effect on 30 June 2023. The Articles of Association of the Company are available on the websites of the Company and The Stock Exchange.

Environmental, Social and Governance Report

OUR VISION FOR SUSTAINABILITY

This Environmental, Social and Governance Report (the “ESG Report”) issued by C&N Holdings Limited (“C&N”, the “Company”, or “We”) outlines the initiatives, policies, data and relevant Key Performance Index (“KPI”) of the Company and its subsidiaries (collectively referred to the “Group”) in supporting our sustainable development and the performance from the Environmental, Social and Governance (“ESG”) aspects.

We have a goal to be a responsible enterprise which is dedicated in continuously improving our business and operation, and manage relevant and material issues of our business with respect to sustainability.

The Group has complied with all the “comply or explain” provisions set out in the Environmental, Social and Governance Reporting Guide (“ESG Reporting Guide”) set out in Appendix 20 to the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited (“SEHK”). We also include a complete index of compliance with the ESG Reporting Guide at the end of the ESG Report for reference.

REPORTING PERIOD, BOUNDARY AND PRINCIPLES

This ESG report is prepared in compliance with the provisions of ESG Reporting Guide.

This ESG report covers the financial year ended 31 December 2023 (“Reporting Period”) and confines to the scope relating to our principal activities, which is the provision of transport and storage services to the logistics industry in Singapore, primarily trucking and hubbing services where:

- Trucking services refer to the delivery of cargo, primarily containers, from the 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 logistic yards or other locations designated by our customers.

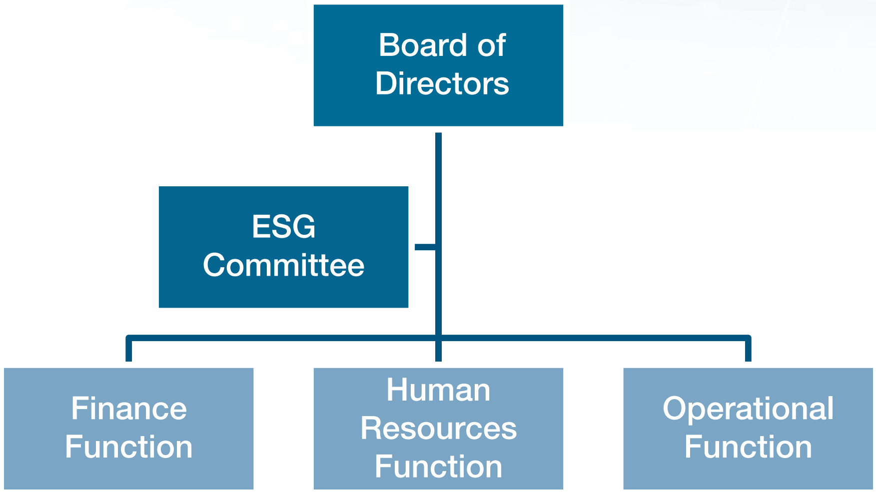
We also follow the principles of Materiality, Quantitative and Consistency and apply a consistent methodology in setting out relevant materiality, quantitatively measurement and reporting scope and format which is considered relevant and significant to the Group.

OUR ESG GOVERNANCE STRUCTURE

The ultimate responsibilities for formulating ESG strategy, identifying ESG key matters, implementing ESG initiatives and policies, monitoring ESG performance, collecting and calculating ESG data and approving this ESG report are rested with The Board of directors (‘the “Board”) of our Group.

Under a written Terms of Reference, the Group has also established an ESG Committee, chaired by an Executive Director and other members holding the responsible persons position of our finance, human resources and operational department functions. The ESG Committee is responsible for executing the delegated duties of the Group in relation to ESG matters.

The ESG Committee also has the right to freely access the Group’s facts and information as to discharge its duties and the right to engage external professional assistance at the cost of the Group for matters relating to ESG reporting.



Management Approach

The Group has set out a systematic management approach to evaluate, prioritize and manage material ESG-related issues, including the following key steps.

1. Performing a risk assessment as to identify significant entities and activities of the Group

2. Performing a risk assessment as to identify significant risks and matters of the Group

3. Communicate with stakeholders as to collect and collaborate ESG concerns important to them

4. Conduct an internal assessment as to set out reporting scope and boundaries

5. Establish relevant ESG policies to implement the Group's important ESG initiatives

6. Ensure the effectiveness of important ESG initiatives

7. Keep record of sufficient ESG data for reflecting the effectiveness of ESG initiatives

8. Establish realistic and measurable ESG goals and targets and comparing them with actual performance

9. Launching remedial actions to meet with established goals and targets or to finetune them

10. Prepare and Submit ESG report for Board's approval

COMMUNICATION WITH STAKEHOLDERS

Our stakeholders are those who affect our business or who are affected by our business.

We actively communicate with our stakeholders and are devoted to continuous improvement of our communication system. The Directors and Management of the Group has put tremendous effort in listening to both its internal and external stakeholders. The Group highly values the feedback from is stakeholders and takes initiative to build a trustful and supportive relationship with them through their preferred communication channels.

We consider that Government Authorities, Investors & Shareholders, Employees, Customers, Suppliers and the Communities are our key stakeholders. The following table presents our communication channels with our stakeholders and their concerned matters.

Key Stakeholders	Communication Channels	Stakeholders' Concerned Matters
Government Authorities	☑ Regulatory updates/circulars ☑ inspections ☑ Site visits ☑ Through our professional advisor	◆ Legal compliance ◆ Work safety ◆ Environmental protection ◆ Prevention of tax evasion ◆ Social welfare
Investors & Shareholders	☑ Annual general meeting ☑ Announcements and disclosures ☑ Interim/Annual Reports ☑ Corporate website and emails	◆ Business strategies and performance ◆ Performance and Profitability ◆ Investment returns
Employees	☑ Regular management meetings ☑ Performance Evaluation ☑ Training	◆ Remuneration and benefits ◆ Work health and safety ◆ Career development ◆ Staff training ◆ Working environment
Customers	☑ Sales Representative visit ☑ Customer hotline ☑ After-sales services ☑ Interim/Annual Reports ☑ Site visits	◆ Service Quality ◆ Delivery times ◆ Reasonable pricing ◆ Work safety
Suppliers	☑ Web sites ☑ Product quality inspection	◆ Stable demand ◆ Product quality
Community	☑ Community events ☑ Employee voluntary activities	◆ Employment and community ◆ Environmental protection ◆ Social welfare

We aim to collaborate with our stakeholders to improve our ESG performance and create greater value or the wider community continuously.

MATERIALITY ASSESSMENT

In the preparation of this report, our ESG Committee gathers important facts and information through continuous communications with our stakeholders, particularly those in relation to our operating practices, employment practices, and environmental Performance/Impact. The ESG Committee has further analyzed those facts and information, collated them with industry reference and evaluated them against materiality, quantitative measures, balance and consistency of this ESG report.

The ESG Committee has considered every provision of the ESG Reporting Guide and identified the 10 most concerned ESG issues for this report as presented below.

	Concerned ESG issues	Relevant ESG Provision
1.	Employment practices & labour standards	B1-Employment
2.	Sustainability of business	B5-Supply Chain Management
3.	Emission control	A1-Emissions
4.	Supply Chain Management	B5-Supply Chain Management
5.	Quality assurance	B5-Supply Chain Management
6.	Employee health and safety	B2-Health & Safety
7.	Efficient consumption	A2-Use of Resources
8.	Customer services	B6-Product Responsibility
9.	Staff development & training	B3-Development and Training
10.	Ethical practice & Integrity	B7-Anti-corruption

The Board has reviewed and approved the assessment of the ESG Committee and has integrated the concerned ESG issues into the overall risk management framework and incorporated into regular internal review or internal audit plan on a rotation basis.

Stakeholder's Feedback

Stakeholders' feedbacks on our ESG matters are highly welcomed. We will consider stakeholders' comments serious and take relevant actions (if any) to improve our overall ESG performance.

Our Stakeholders can provide their feedback to us at business@cnlimited.com.

CARE FOR OUR ENVIRONMENT

We have taken into account factors concerning environmental protection, and will continue to devote operating and financial resources on environmental compliance as required under applicable laws or regulations. These relate to air and greenhouse gas emissions ("GHG"), discharges into water and land, and generation of hazardous and non- hazardous waste, including, but not limited to The Environmental Protection and Management Act (Chapter 94A of Statutes of Singapore) ("EPMA").

Environment

Air & GHG Emission management

The principal greenhouse gas ("GHG") emissions of the Group are direct GHG emissions from gasoline generated through logistic operation, energy indirect GHG emissions generated mainly from purchased electricity, and indirect GHG emissions mainly generated from paper consumption. We have implemented certain operational measures and minimized consumption by improving the efficiency of our workflow.

Conservation Practices

During daily operation and office administration, the Group generates GHG emissions directly or indirectly through resource consumption. To properly manage our GHG emissions, the Group actively adopts conservation and monitoring measures. We adopt digitized office to minimize paper usage, conduct regular vehicle maintenance and monitor fuel consumption, phase out any vehicles that fail to satisfy the standards of the national emission policy, purchase regular diesel and gasoline for vehicles, and conduct annual inspections to ensure the compliance with national emission standards, encouraging modern telecommunication system to avoid unnecessary travel arrangement; and encouraging employees to switch off IT devices such as computers and monitors when not in use. These are some of our conservation practices to increase our employees' awareness of reducing GHG emissions.

Our Environmental Compliance Status

In the reporting period, the Group has complied with relevant laws and regulations that have a significant impact on the Group relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste, including but not limited to:

☑ Environmental Public Health Act (EPHA) of Singapore.

☑ Environmental Protection and Management Act (EPMA) of Singapore.

☑ Hazardous Waste (Control of Export, Import and Transit) Act (HWA) of Singapore.

Use of Resources

Consumption Efficiency Management

The energy consumed by the Group in the operation are mainly electricity and diesel. The major energy consumption of the Group during its daily operation is electricity consumption in the operation, and gasoline consumption via logistic operation.

The Group regards reducing energy consumption and recycling of resources as priorities during operating processes. We keep improving our efficient minded management system and have implemented various resource conservation protocol and introduce more systematic software, which enable us to increase the efficiency of operation and thus reduce the consumption of diesel.

The Group is committed to establishing an electronic automated office. The office makes full use of the online system, while general business notices, communication and data transmissions are conducted through the internet system, and has established electronic workflows. Printing and copying are minimized to the largest extent to reduce paper usage, while double-side printing is also encouraged in the office.

The Group has formulated rules and regulations to achieve the goal of energy saving and efficient consumption. The relevant specific measures such as selecting energy-efficient equipment and electrical appliances, turning off all unnecessary lights, air conditioners, computers and other office equipment in office areas, forbidding the run of idle vehicles and equipment.

Water consumption

In Singapore, water is supplied by the government and post no sourcing risk to our operation.

The water consumption of the Group mainly comes from the office water consumption. We encourage all employees to develop the habit of conserving water consciously. The Group also discharges domestic sewage in our office premise during daily operation, which is discharged into the urban sewage pipe network. As water is supplied by the Government in Singapore and in consideration of our minimal water consumption needs, we do not have issues with sourcing water.

Waste Management

Our operation did not generate significant amount of non-hazardous waste, including water wastage/pollution. The non-hazardous wastes generated by the Group's business activities are domestic waste and paper. Such wastes will eventually be collected and processed by general waste service providers.

The Environment and Natural Resources

Through a series of measures to conserve electricity and diesel that have been introduced above, the Group continues to explore possible measure towards the building of a reliable, resilient and sustainable corporation that pioneers in the logistic industry in Singapore. The Group is committed to providing employees with a comfortable and green working environment to enhance work efficiency. The Group maintains office discipline and environmental hygiene and keeps the personal office area and public areas clean and tidy. We will deal with any identified problems and potential risks in time to maintain a sound working environment.

Our operation policy and process comply with all relevant environmental laws and regulations in relation to the waste disposal and environmental pollution management including Environmental Public Health Act, and Environmental Public Health (General Waste Collection) Regulations. In the Reporting Period, no non-compliance of the relevant regulations regarding emissions or environmental issues has been identified.

The ESG committee suggests a target reduction program on natural resource consumption as shown as below in the way of closely monitoring to minimize unnecessary usage and other principal mentioned in previous section.

RESOURCES	ACCUMULATED TARGET REDUCTION IN % ACHIEVING ON				
	2024	2025	2026	2027	2028
DIESEL[1]	0.7%	1%	1.4%	1.6%	1.8%
ELECTRICITY[2]	1%	1.5%	1.7%	1.9%	2.1%
WATER[3]	1.4%	1.5%	1.7%	1.9%	2.1%

Reduction plans

1 enhance the maintenance and overhaul of equipment and maintain the condition of all vehicle regularly.

2 Promote and adopt energy-saving equipment. Turn off all unnecessary lights, air-conditioning and equipment.

3 Conduct checking and maintenance on water pipes to avoid any leakage of faucets and gaskets as well as other issues in the water supply system on a regular basis.

Climate Changes Impact

In assessing the climate changes impact on the Group, the Group takes reference to the recommendations and approach set out by The Task Force of Climate-related Financial Disclosure ("TCFD").

The ESG Committee measures the climate change impact by the following two dimensions:

Physical Risk

➢ Referring to direct damage to assets and indirect impacts from supply chain disruption that may have financial implications for the Group. Physical risk can be event driven (as "Acute Events risk") or gradually shifted over in a period of time (as "Chronic Shift risk").

Transition Risk

➢ Referring to a situation where the transition to a lower-carbon economy may entail extensive policy, legal, technology, and market changes to address mitigation and adaptation requirements related to climate change.

The ESG Committee has also put the following into the considerations:

1. The overall climate change situation and government initiatives in Singapore, such as

   A. The Singapore Green Plan 2012 (SGP2012)

   B. The Sustainable Singapore Blueprint (SSB) 2015

   C. Climate Action Plan: Take Action Today, For a Carbon-Efficient Singapore

2. The trends and practices of the logistic industry in Singapore.

3. The particular business model and features of operations of the Group, of which the key features are:

Singapore's Feature

- Promoting the use of electricity cars
- Vehicle and Fuel standards are tightening
- No direct physical risk at large for Singapore at large

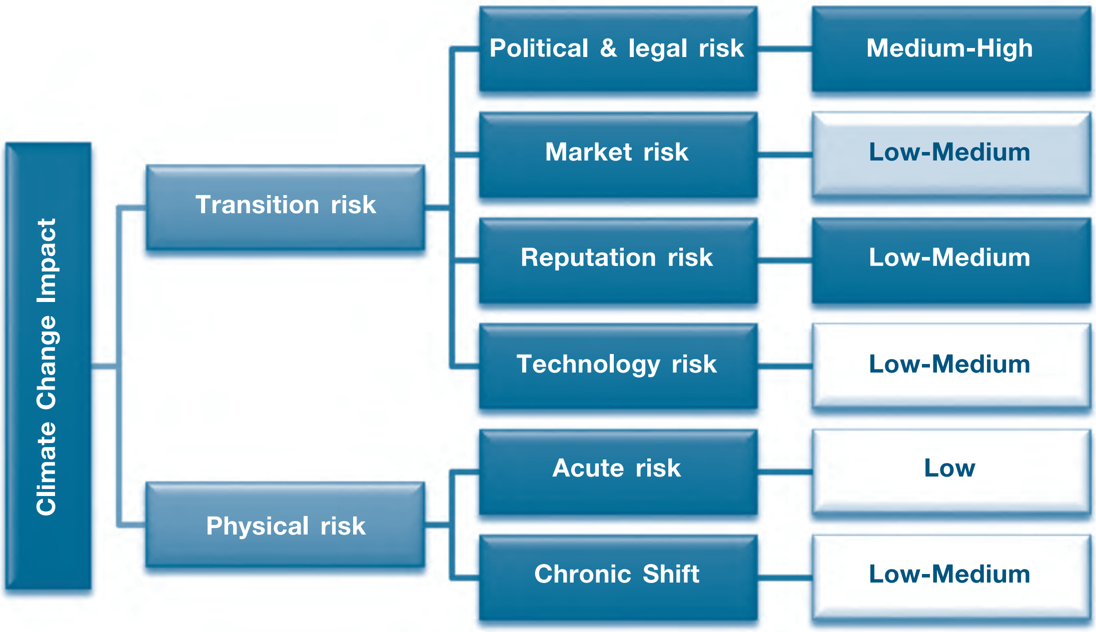
Industry's Feature

- Disruptive technology has not emerged yet
- No industry-specific regulation yet

Group's Features

- We have been optimizing our transportation route
- We have been using Euro VI standards trucks

The ESG Committee has considered all relevant risks in relation to climate changes impact and believes that the Group is more likely to be subject to 1) Political & legal risk 2) Reputation risk and 3) Chronic Shift risk as graphically presented below.



<Risk Level Consideration in relation to Climate Change Impact>

To the best judgement of the Group, the Group is considered to be subjected to the following climate change impacts to which the Group has developed relevant action plans to manage them as presented in below table. The Group is committed to monitor and update our climate changes impact from time to time.

Relevant Climate Change risk	Indicator	Potential Climate Change Impact on the Group
Political & Legal risk	Singapore is on a trend of acquiring trucks and mover, eventually most type of vehicles to meet Euro VI emission standards.	The Group has been adopting a plan of using Euro VI compliant Vehicle.
Political & Legal risk	Fuel cost may rise or may be subject to direct or indirect environmental tax.	The Group has a plan to negotiate a cost sharing scheme with customers if such risk is materialized.
Reputation risk	Our customers may have an expectation that require the Group to be environmentally friendly.	We have already put in place an ISO 14001 certified Environmental Management System.

ENVIRONMENTAL KEY PERFORMANCE INDICATORS

Emission Type	Indicator	FY2023	FY2022
Greenhouse gas[1]	Direct emissions — Scope 1[3] (tonnes CO_2)	**6,846**	8.278
	Indirect emissions — Scope 2[4] (tonnes CO_2)	**20**	36
	Indirect emissions — Scope 3[5] (tonnes CO_2)	**5**	6
Exhaust gas	Sulphur Dioxide (SO_2) — kg	**40**	53
	Nitrogen Oxides (NO_x) — kg	**5,642**	7,902
	Particulate Matter (PM) — kg	**526**	656

Major resource consumed	Unit	FY2023	FY2022	2023 Intensity
Water — processing	cm^3	**338**	365	14
Electricity — processing	kWh	**44,643**	50,053	1,903
Diesel	liter	**2,006,892**	2,847,677	85,545
Paper	kg	**1,500**	1,451	64

Notes to above table:

1 GHG emissions data is presented in terms of carbon dioxide equivalent and are based on, but not limited to, “Guidelines to Account for ad Report on Greenhouse Gas Emissions and Removals for Buildings (Commercial, Residential or Institutional Purposes) in Hong Kong” 2010 Edition and Appendix II: Reporting Guidance on Environmental KPIs” issued by the Hong Kong Stock Exchange.

2 Intensity is calculated by the emissions by the Group’s revenue for FY2023 (approximately S$23.46 million).

3 Major source of Scope 1 emission came from usage of Diesel.

4 Major source of Scope 2 emission came from usage of purchased electricity.

5 Major source of Scope 3 emission came from processing fresh water and sewage by government departments.

6 Our operation does not generate hazardous waste.

7 Domestic waste totals have been deemed immaterial to our operations. Thus, we do not maintain relevant record.

8 Packaging material usage is insignificant in our operation process. Thus, we do not maintain relevant record.

CARE FOR OUR EMPLOYEE

We believe that employees are the most important asset of an enterprise and the core driving force for continuous development. We are committed to improving the employment system and striving to provide employees with comprehensive protection of their rights and interests.

As we uphold the principles of openness, fairness, and impartiality, we advocate employee diversity and resolutely oppose discrimination, striving to eliminate any injustice to candidates and employees arising from factors such as gender, age, race, religious beliefs and gender orientations.

Employment and Labour Standards

Our Human Resource Department is responsible for monitoring the employment matters of the Group. All our employees are subjected to proper evaluation and approval by management at appropriate level before they are hired, remunerated, promoted or terminated. All our employees are treated in the principle of equal opportunity in the ways that they are hired, compensated and promoted in accordance to the merits and contributions they bring to the Group, which can be subjectively and fairly measured in accordance to their educations, experience, qualification, loyalty, efficiency and achievements at works.

We have established standard contractual process, operational procedures and effective system (e.g. attendance recording) to ensure our employee are remunerated fairly in accordance to our approved remuneration policy and working in a friendly environment where their working hours, entitled holidays and other benefits such as pension contribution are protected in accordance to the relevant laws and regulations.

We do not tolerate any forms of harassments and discrimination at our workplace or amongst our employees. We take proactive steps to ensure we are not engaged in any forms of forced labour and child labour, including verification of their identities at inception and on regular basis.

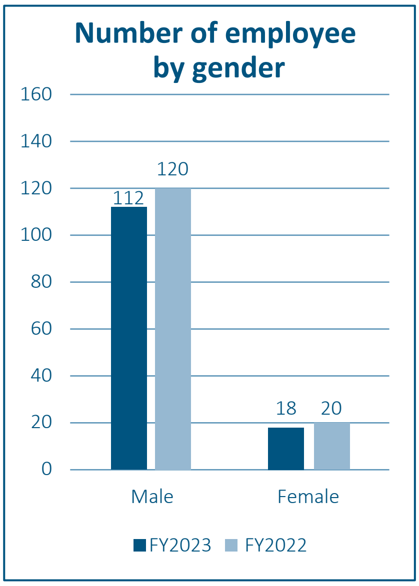
In daily operation, we encourage our employees to communicate with their department head or our Human Resources Department to express their views, needs and concerns. In addition, the Group has established a whistleblowing policy and related reporting mechanism through which our employees and any third parties can report their concerns over fraud, misconduct and/or non-compliance to our Executive Director who is responsible for reviewing the concerns and commence investigations when necessary.

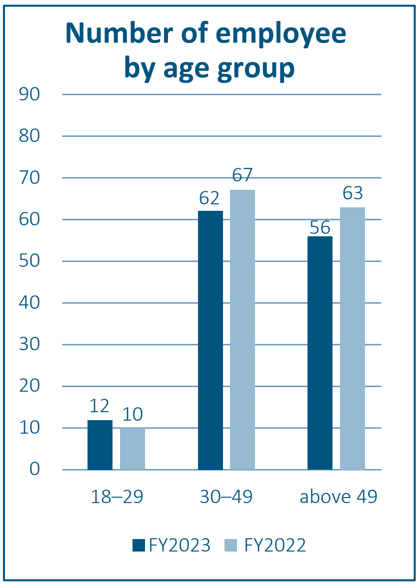
Workforce Composition

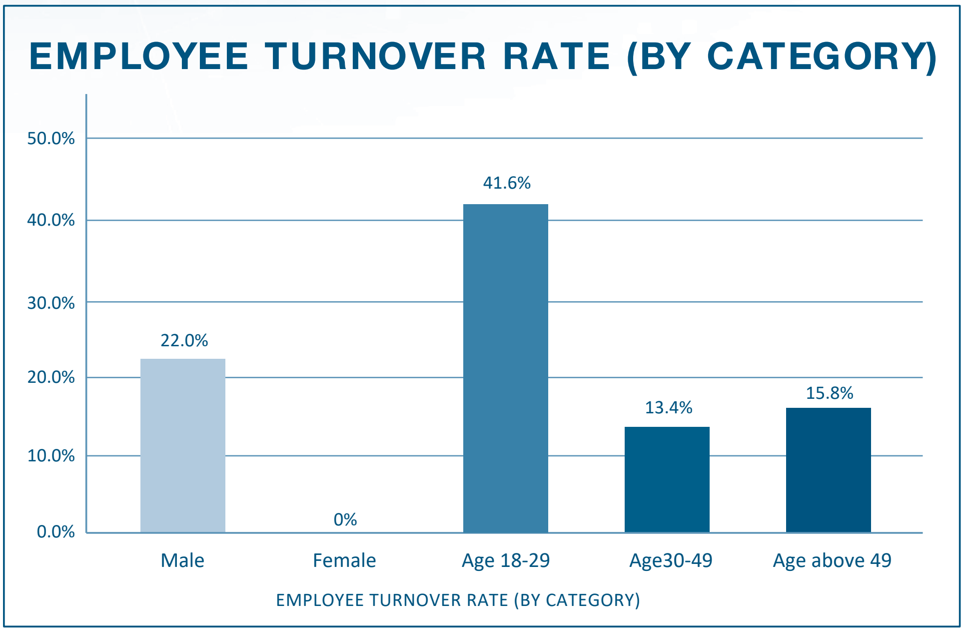
As at 31 December 2023, the Group has a total full-time workforce of 130 employees (2022: 140) inclusive of the 2 Directors of the Board, with breakdowns presented:

By geographical region, 118 staffs are residing and operating in Singapore and 12 staffs are residing and operating in Hong Kong. During the year, the Group did not employ part-time or temporary staff, including the use of agents and outsourced staff. The overall employee turnover rate of the year is 17.1%, with further breakdowns by different categories presented.

The ESG Committee has made an assessment and considered our turnover relatively healthy and stable.







Note: The turnover rate is arrived based on dividing the number of leavers over the year by the averaged total of employee of 2022 and 2023 reporting periods.

Overall Employment Compliance Status

During the reporting period, the Group has complied with relevant laws and regulations, including those listed below that have a significant impact on the Group relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, other benefits and welfare and preventing child and forced labour.

☑ The Employment Act (Cap. 91)

☑ The Employment of Foreign Manpower Act (Cap. 91A)

☑ The Employment of Foreign Manpower (Work Passes) Regulations 2012

☑ The Employment of Children and Young Persons Regulations

☑ The Employees' Compensation Ordinance of Singapore

☑ The Central Provident Fund Act (Chapter 36)

Welfares and safeguards

A sustainable and stable workforce is the means to better facilitate every parties, creating common values with the hope to deliver up-standard quality service for a sustainable development and future.

To achieve the goal, we also put a strong emphasis on ensuring comprehensive welfares and safeguards for employees. The Group implemented a compensation and benefits system to further provide employees with competitive remuneration. On top of legislated requirements relating to employee compensation, our full-time employees are entitled to medical care, dental benefits, business travel accident insurance, matrimonial leave and paternity leave.

We are eager to provide a harmonious working environment for our employees. We offer various leisure and gathering events to light up the office atmosphere and enhance bonding among employees.

Health and Safety

We are committed to providing a safe and healthy workplace to all our employees. Occupational health and safety concerns primarily stem from the use, handling, storage, transportation and maintenance of the equipment within the premises and in the customers' job sites. The Group believes that health and safety at work involves both the prevention of harm and the promotion of employees' well-being.

To provide and maintain a safe, clean and environmentally friendly working condition for employees, the Group has established protocol and guidelines regarding safety and health, which are in line with relevant laws and regulations in Singapore including, but not limited to The Workplace Safety and Health ("WSH") Act and The Workplace Safety and Health (Incident Reporting) Regulations of Singapore.

Health and safety requirements are incorporated into the Group's policies for all employees to comply with, which can be assessed in our safe work procedures and employee handbook (e.g. smoking and abuse of alcohol and drugs are prohibited in the workplace).

The Group provides induction programs and safety training programs to new employees such that they can be familiar with our protocol in relation to health and safety matters as quickly as they can. The Group also maintains the risk management system including procedures of identification and prevention of risks and hazards in the working area and follow-up actions for accidents or personal injuries.

In the past three years, we have not encountered any work-related fatalities.

There are occasions where minor traffic accidents occurred in the course of our logistic operation. Whenever our drivers are injured in the accidents, we have always fairly compensated them and the related costs are fairly covered by our insurance policy.

The following table indicates our rate of work-related injuries, to which the Directors consider satisfactory.

Work-related injuries table	FY2021	FY2022	**FY2023**
Rate of work-related injuries/No. of working hours for 262 working days by the total no of driver	0.0034%	0.0055%	**0.0076%**
Resulting loss of working days	15	25	**28**

Special Note: Our Effort to Fight COVID-19

In relation to the COVID-19, our Group and operations have fulfilled all the lockdown and quarantine requirement imposed in Singapore. In addition, we have also established a contingency plan that includes but not limited to the following safety measures:

1. We must sanitize our workplace regularly

2. We allow flexible working place and hours, including work from home when necessary

3. We require the maintenance of a social distance of at least 1 meter at our workplace

4. We require our employee to wear mask all the time

5. We require our employee to report their temperature twice daily

6. We use the SafeEntry apps to keep record of our check-in at our workplace

7. We develop a reporting mechanism to timely escalate suspected/confirmed cases to our management

8. We develop evacuation procedures for suspected/confirmed cases

Overall Health and Safety Compliance Status

In the reporting period, the Group has complied with relevant laws and regulations, including but not limited to the below listed, that have a significant impact on the Group relating to providing a safe working environment and protecting employees from occupational hazards.

☑ Workplace Safety and Health Act (CHAPTER 354A) of Singapore

☑ The Workplace Safety and Health (Incident Reporting) Regulations of Singapore.

Development and Training

It is our policy to provide sufficient and relevant training to our employee for the purpose of their development in respect of professional knowledge, industry skill, physical health and safety and compliance awareness.

At oversight and management level, our Group has provided annual trainings to our Directors and Senior Management on topics of corporate governance and regulatory compliance to ensure they are updated with latest regulatory requirements or market trends.

Occupational Training

At operational level, we provide induction and refresher courses to ensure that the drivers are up to date with the latest safety regulations, while our customers may also conduct their own safety courses for our drivers who operate within their premises.

For example, regular toolbox meeting with drivers were regularly conducted. The constant on-the-job training mainly cover the areas of health and work safety, occupational skills and knowledge and compliance, such as driver safety. Since these are incorporated into the normal operations, we do not record it in detail. We consider each driver, who are usually male employee, should have received at least 6 hours of training in the reporting period.

Compliance Training

We also provide external training courses on topic of governance and compliance which are mainly provided by relevant professionals. In the reporting period, we have arranged a two-hours training course for our Directors and Senior Officers on the topic of listing rules and anti-corruption.

Anti-Corruption Training

For Anti-Corruption training, the Group has rolled out a continuous training plan under which our Management will roll out a training plan to our general office and drivers on a rotation basis with a target to achieve a 100% full training coverage in 4 years.

Our anti-corruption training shall take reference to the relevant guidelines published by anti-corruption authorities in Singapore and Hong Kong.

ANTI-CORRUPTION SYSTEM

Our business model and operating procedures are inherently subjected to lower risk of anti-corruption and money laundering.

By our Anti-corruption policy, we prohibit all forms of bribery, extortion, fraud and money laundering and require all employees to strictly abide by professional ethics. All employees are expected to have high degree of integrity, to act fairly and professionally, and to abstain from engaging in bribery activities or any activities which might exploit their positions against the Group's interest.

Nevertheless, our internal control system covers these areas are highlighted below:

1. **Established Policy**

   Expected behaviors and Prohibited acts, such as bribery, management collusion and money laundering are set out in the anti-corruption policy and anti-money laundering policy, which are communicated to our directors, management and employees from time to time.

2. **Daily Management**

   Our Executive Director and Human Resources Director are highly involved in our daily operations. They are responsible for detecting and dealing with any identified or suspected corrupted acts. We encourage our employees to report to them of any concerns too.

3. **Whistleblowing**

   We have established a whistleblowing policy and related reporting mechanism to facilitate goodwill whistleblowing that will be handled by our Executive Director who will be instructed by the Board to conduct necessary investigation of goodwill whistleblowing cases. Our whistleblowing policy is circulated to our management and employee with a guarantee that goodwill whistleblowers are protected from any forms of discrimination, retaliations and/or harassment.

4. **Training**

   The Group has rolled out a continuous training plan on anti-corruption to enhance the ethic awareness of our employees.

Overall Anti-Corruption Compliance Status

The Group has not encountered any corruption cases in the past 3 years.

In the reporting period, the Group has complied with relevant laws and regulations, including but not limited, to the below listed that have a significant impact on the Group relating to bribery, extortion, fraud and money laundering.

☑ Prevention of Bribery Ordinance Cap. 201 of Hong Kong

☑ Prevention of Corruption Act of Singapore

In the Reporting Period, the Group has no suspicious or confirmed cases relating to bribery, extortion, fraud and money laundering.

CRITICAL SUPPLIERS' MANAGEMENT

As of 31 December 2023, the Group is engaged with 4 critical suppliers in the area of port, diesel, tyres and land rental, who are of most relevance and significance to our businesses. These critical suppliers are all located in Singapore. The Group believes that managing the environmental and social risks of these critical suppliers will facilitate the sustainability of the Group and prevention of related financial and operational impact to the Group.

Suppliers' Selection

We established a stringent supplier selection process which also takes environmental and social risk control of suppliers into account. As we only have a handful of long-time-history critical suppliers, our Executive Director and Senior Management monitor their performance very closely on daily basis, including whether they would use and provide us any environmental unfriendly products.

In the Reporting Period, we are not aware of any environmental or social non-compliance committed by our critical suppliers.

Suppliers' Code of Conduct

The Group has also developed a suppliers' code of conduct and expect our suppliers and business partners shall understand and share our values and be compliant with all relevant laws and regulations in relation to environmental protection, labor protection and anti-corruption. By our code requirement, the Group shall take appropriate remedial actions on suppliers if their operations go against our environmental and social values and/or principles.

In the course of selecting our suppliers, the Group has been keeping environmentally preferable products and services as an important indicator, among all key considerations such as costs, quality of service and requirements of suppliers. The Group has assessed our critical suppliers, including the following dimensions and form a view that they are providing products and service that meet the relevant environmental and social standards.

- The products supplied by our material suppliers meet the quality standards of the Group.

- They are subject to their own licensing requirements, including the protection of their labors.

QUALITY SERVICE MANAGEMENT

As a leading transport and storage service provider in Singapore, our Group offers trucking and hubbing services to our customers locally and globally. We listen to the voices of our customers by providing responsive and attentive workforce equipped with up-to-date tools & equipment. The Group believes it can effectively extend its ESG values and manage relevant environmental and social risks so as to maintain and enhance the Group's competitive advantage.

In the Reporting Period, we have maintained a sizable logistic fleet, comprising of prime movers, trailers, reach stackers, forklifts, lorries and light vehicles. We provide our services through our qualified drivers responsible for handling and storage of empty containers and laden at our logistics yard, which is regarded as hubbing services, and for providing timely and quality cargo delivery service from pick up station to delivery station designated by customers, which is regarded as trucking service.

We have also invested and applied certain technological device and systems that would promote workflow timeliness and accuracy and abate the workload of our staff. For example, our operational system facilitates the matching and reconciliation of key operation data with our key business partners' database automatically on a daily basis.

Our value chain

Our Group's main business segment falls within the Transportation services of the value chain in Port logistic services. Being a leading transportation and logistics group in Singapore, the Group endeavors to up-keep the reputation, and build and excel in the business performance. Over the years, the Group managed to have a stable and close relationship with a list of suppliers who keep providing quality goods and services in contribution to our business.

Quality management

The Group emphasizes the quality management of its services and is committed to providing customers with reliable and flexible services. Our quality control policy can be divided into two segments and they have provided a solid platform for us to deliver our services in a reliable and flexible manner to meet our customer's ever-changing demand and market needs.

We have implemented a number of management principles to ensure our workforce provides reliable and controllable services in various stages of operation, as tabled below.

- Standardised workflow in line with client work schedule
- Regular review and improve work tools
- Apply applicable software to streamline current workflow
- Proactively communicate with client and provide productive response timely
- Reciprocal inspection on operational efficiency and engage external professionals to perform assessment

As a logistic service provider, the Group is not subjected to product or service recall risk. In situations where there are unresolved matters, our Executive Director will work with our client and supplier to resolve the matter. The Group has also established relevant quality and safety inspection protocol which standardizes order handling. Our customer service department plays a key role in understanding and confirming client's needs and expectation of each order, setting out direction prior to launching any project, and actively coordinating projects with customers in the course of providing services.

Operational quality control mechanism

1. ***Vehicle selection***

   The selection of the brand and model of vehicles to purchase is important as it impacts on the ability of our Group to deliver reliable trucking services in a timely manner and concurrently provide a safe working environment for our drivers.

2. ***Regular vehicle inspection***

   Regular vehicle maintenance regime for our vehicles is implemented. All vehicles in our fleet are subject to regular inspection as regulated by the Land Transport Authority of Singapore ("LTA") with the view that vehicles which are not roadworthy can be a potential hazard to other road users and that regular inspections help to minimise vehicular breakdowns and road accidents.

3. ***Safety courses for drivers***

   As our drivers are operating heavy vehicles such as prime movers, reach stackers and lorries, we require all drivers to attend relevant safety courses. We conduct in-house safety courses for all our drivers. Our customers and suppliers may also conduct their own safety courses for our drivers who operate within their premises.

   The Group does not have any recall procedures due to the nature of our service. Any failure to deliver on the first time due to either external or internal hurdles will be re-scheduled timely with customers' approval and be delivered again within our customers' expectation.

   In the reporting period, the Group did not encounter any of the following situations:

   i. recalls or damage claim related to our services on the ground of safety and health reasons; and

   ii. material customer complaints that lead to or likely to lead to product recall or compensations.

Advertising and Labeling

In our course of operation, we are not required to handle advertising, labelling, and privacy matters of customers, suppliers, and business partners. We have confidentiality policy implemented and included in Employee handbook to require our employee to maintain confidentiality with respect to confidential information pertaining to our operations.

The Group did not identify any non-compliance in relation to service liability.

Intellectual Property Rights, Consumer Data and Privacy Policy

The Group highly respects Intellectual property rights protection and consumer data. In the course of operation, we might have access to the intellectual properties or confidential data of customers, such as patents, trademark, copyrights and trade secrets (e.g. design of products), personalized information or contractual documents.

It is our principle that we will only use and/or store these intellectual properties or customer data in accordance to the purpose they are originally provided to us or collected by us. We have procedures to ensure these intellectual properties and customer data are stored in a safe manner, physically and digitally, with restricted access by authorized persons only. We prohibit all kinds of unauthorized use or leakage of intellectual properties by our Group's employee. Our Group will take appropriate actions against breach of Intellectual property rights and consumer data, including termination of employment or legal proceeding. All collected personal data is treated confidentially and kept securely, accessible by designated personnel only.

Overall Service Liabilities Compliance

In the Reporting Period, the Group is in compliance with relevant laws and regulations that have a significant impact on us and are relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.

We care our community

As a responsible corporation, the Group has been working towards to building a beautiful and healthy community and maintaining communication and interaction with the community to contribute to the development of the community.

SEHK ESG Reporting Guide General Disclosures		Reference Section/Remark	Comply or Explain
A. Environmental			
A1 Emissions	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	Care for Our Environment	Complied
KPI A1.1	The types of emissions and respective emissions data.	Environmental Key performance Indicators	Complied
KPI A1.2	Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Environmental Key performance Indicators	Complied
KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	We do not provide any hazardous waste	Explained
KPI A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Environmental Key performance Indicators	Complied
KPI A1.5	Description of emission target(s) set and steps taken to achieve them.		
KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, reduction initiatives and results achieved.	Waste Management	Complied
A2 Use of Resource	Policies on efficient use of resources including energy, water and other raw materials.	Use of Resources	Complied

SEHK ESG Reporting Guide General Disclosures		Reference Section/Remark	Comply or Explain
KPI A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).	Environmental Key performance Indicators	Complied
KPI A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	Environmental Key performance Indicators	Complied
KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	The Environment and Natural Resources	Complied
KPI A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	Water consumption	Complied
KPI A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	We do not use packaging material in our service.	Explained
A3 The Environment and Natural Resources	Policies on minimising the issuer's significant impact on the environment and natural resources.	The Environment and Natural Resources	Complied
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Our operation does not induce significant impacts on the environment and natural resource	Explained
Aspect A4	Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	Climate Changes Impact	Complied
KPI A4.1	Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them.	Climate Changes Impact	Complied

SEHK ESG Reporting Guide General Disclosures		Reference Section/Remark	Comply or Explain
B. Social			
B1 Employment	Policies and compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	Care for Our Employees	Complied
KPI B1.1	Total workforce by gender, employment type (for example, full-or part-time), age group and geographical region.	Workforce composition	Complied
KPI B1.2	Employee turnover rate by gender, age group and geographical region.	Workforce composition	Complied
B2 Health and Safety	Information on: (a) the policies; and (b) compliance and material non-compliance with relevant standards, rules and regulations on providing a safe working environment and protecting employees from occupational hazards.	Health and safety	Complied
KPI B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	Health and safety	Complied
KPI B2.2	Lost days due to work injury.	Health and safety	Complied
KPI B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	Health and safety	Complied
B3 Development and Training	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	Development and training	Complied
KPI B3.1	The percentage of employees trained by gender and employee category.	Development and training	Complied

SEHK ESG Reporting Guide General Disclosures		Reference Section/Remark	Comply or Explain
KPI B3.2	The average training hours completed per employee by gender and employee category.	Development and training	Complied
B4 Labour Standard	Information on: (a) the policies; and (b) compliance and material non-compliance with relevant standards, rules and regulations on preventing child or forced labour.	Employment and labour standards	Complied
KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.	Employment and labour standards	Complied
KPI B4.2	Description of steps taken to eliminate such practices when discovered.	Employment and labour standards	Complied
B5 Supply Chain Management	Policies on managing environmental and social risks of supply chain.	Critical Suppliers' Management	Complied
KPI B5.1	Number of suppliers by geographical region.	Critical Suppliers' Management	Complied
KPI B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.	Suppliers' Selection	Complied
KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	Our value chain	Complied
KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	Suppliers' Selection	Complied

SEHK ESG Reporting Guide General Disclosures		Reference Section/Remark	Comply or Explain
B6 Product Responsibility	Information on: (a) the policies; and (b) compliance relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	Our value chain	Complied
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	We do not have any recalls	Explained
KPI B6.2	Number of products and service-related complaints received and how they are dealt with.	We do not receive any complaints	Explained
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights	Intellectual Property Rights, Consumer Data and Privacy Policy	Complied
KPI B6.4	Description of quality assurance process and recall procedures.	Care for our customers	Complied
KPI B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	Intellectual Property Rights, Consumer Data and Privacy Policy	Complied
B7 Anti- corruption	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	Anti-Corruption System	Complied

SEHK ESG Reporting Guide General Disclosures		Reference Section/Remark	Comply or Explain
KPI B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases	We do not have any legal case regarding corrupt practices	Complied
KPI B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	Anti-Corruption System	Complied
KPI B7.3	Description of anti-corruption training provided to directors and staff.	Development and Training Anti-Corruption	Complied
B8 Community Investment	Policies on community engagement to understand the community's needs where it operates and to ensure its activities take into consideration communities' interests.	We care our community	Complied
KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	We care our community	Complied
KPI B8.2	Resources contributed (e.g. money or time) to the focus area.	We care our community	Complied

Report of the Directors

The Directors present their report and the audited financial statements for the year ended 31 December 2023.

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 and Hong Kong, 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 5 to 13 of this annual report. This discussion forms part of this Directors' report.

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 5 to 13 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 2023 and the Group's financial position at that date are set out in the financial statements on pages 68 to 139.

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 2023.

SHARE CAPITAL

Details of movements in the share capital of the Company during the year are set out in note 25 to the financial statements.

PROPERTY, PLANT AND EQUIPMENT

Details of movements in the property, plant and equipment of the Group during the year are set out in note 13 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 2023.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Company's Articles of Association or the laws of the Cayman Islands, 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 2023 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 2023, 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$25.4 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 77.0% of the total sales for the year and sales to the largest customer included therein amounted to 43.1%. Purchases from the Group's five largest suppliers accounted for 35.8% of the total purchases for the year and purchase from the largest supplier included therein amounted to 15.3%. The Group maintains good relationships with its customers and suppliers.

None of the Directors or any of their close 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 or suppliers.

USE OF PROCEEDS FROM SHARE OFFER

As at 31 December 2023, the Company has fully utilised the net proceeds 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 9 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.

The environmental, social and governance report is set out on page 28 to 51 of the annual 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 2023.

DIRECTORS

The Directors during the year were:

Executive Directors:

Mr. Chua Kang Lim
Ms. Fung Mee Kuen

Independent non-executive Directors:

Mr. Cheung Wai Kin
Ms. Lo Suet Lai (resigned on 1 July 2023)
Ms. Wong Shuk Yee Camilla
Ms. Wong Ching Wan (appointed on 1 July 2023)

DIRECTORS' AND SENIOR MANAGEMENT'S BIOGRAPHIES

Biographical details of the Directors and the senior management of the Group are set out on pages 14 to 15 of the annual report.

DIRECTORS' SERVICE CONTRACTS

The executive Directors, Mr. Chua Kang Lim has 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 one year commencing from the appointment 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 annual 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 of the employees of the Group are based on the remuneration policy of the Group considering 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.

The Directors' remuneration are subject to the authority granted by the shareholders of the Company to the Board to fix their remuneration or shareholders' approval at general meetings and monitored by the remuneration committee on a continuous basis. Other emoluments are determined by the Company's remuneration committee with reference to directors' duties, responsibilities and performance and the results of the Group.

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 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 2023.

As at 31 December 2023, 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 2023, 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 2023.

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

As at 31 December 2023, the interests and short positions of directors in the shares, underlying shares and debentures of the Company or any of its associated corporation (within the meaning of Part XV of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong) (the "SFO")) held by the Directors and chief executives of the Company (the "Chief Executives") which were notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO), or which were recorded in the register maintained by the Company pursuant to section 352 of the SFO, or which were notified to the Company and the Stock Exchange pursuant to rules 5.46 to 5.67 of the GEM Listing Rules were as follows:

DIRECTORS' INTEREST IN THE SHARES OF THE COMPANY

Name of Director	Number of shares/Position	Percentage of shareholding	Capacity
Mr. Chua Kang Lim ("Mr. Chua")	3,230,250 *(Note)* Long position	1.94%	Interest of controlled company and beneficial owner

Note: 2,910,250 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.

DIRECTORS' INTEREST IN THE SHARES OF VENTRIS, AN ASSOCIATED CORPORATION OF THE COMPANY

Director	Capacity/Nature of interest	Number of shares in Ventris	Percentage of shareholding in Ventris
Mr. Chua	Beneficial owner	1 Long position	100%

Save as disclosed above, as at 31 December 2023, none of the Directors or the Chief Executive of the Company had any interests or short positions in the shares, debentures or underlying shares of the Company or any of its associated corporations (within the meaning of Part XV of the SFO), which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO) or which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein or which were required, pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules, to be notified to the Company and the Stock Exchange.

SHARE OPTION SCHEME

The Company adopted a share option scheme (the "Share Option Scheme") which became effective on 18 October 2017. The following is a summary of the principal terms and conditions of the Share Option Scheme.

(a) Purpose of the Share Option Scheme

The purpose of the Share Option Scheme is to enable our Company to grant options to any employee, adviser, consultant, service provider, agent, customer, partner or joint-venture partner of our Company or any subsidiary (including any director of our Company or any subsidiary) who is in full-time or part-time employment with or otherwise engaged by our Company or any subsidiary at the time when an option is granted to such employee, adviser, consultant, service provider, agent, customer, partner or joint-venture partner or any person who, in the absolute discretion of our Board has contributed or may contribute to our Group (the "Eligible Participants"), as incentive or reward for their contribution to our Group to subscribe for the shares of the Company thereby linking their interest with that of our Group.

(b) Grant and acceptance of options

Subject to the terms of the Share Option Scheme, our Directors may, in its absolute discretion make offer to the Eligible Participants. An offer shall be made to an Eligible Participant in writing in such form as our Directors may from time to time determine and shall remain open for acceptance by the Eligible Participant concerned for a period of 21 days from, and inclusive of, the date upon which it is made provided that no such offer shall be open for acceptance after ten years from the adoption date of the Share Option Scheme or the termination of the same or after the Eligible Participant to whom the offer is made ceased to be an Eligible Participant.

An offer shall be deemed to have been accepted by an Eligible Participant concerned in respect of all shares which are offered to such Eligible Participant when the duplicate letter comprising acceptance of the offer duly signed by the Eligible Participant, together with a non-refundable remittance in favour of our Company of HK$1.00 by way of consideration for the grant thereof is received by our Company within such time as may be specified in the offer (which shall not be later than 21 days from, and inclusive of, the offer date).

Any offer may be accepted by an Eligible Participant in respect of less than the total number of shares which are offered provided that it is accepted in respect of a board lot for dealing in the shares on the Stock Exchange or an integral multiple thereof.

(c) Subscription Price

The subscription price for shares under the Share Option Scheme shall be determined at the discretion of our Directors but in any event will not be less than the highest of (a) the closing price of the shares on the Stock Exchange as shown in the daily quotations sheet of the Stock Exchange on the offer date of the particular option, which must be a business day; (b) the average of the closing prices of the shares as shown in the daily quotations sheets of the Stock Exchange for the five business days immediately preceding the offer date of that particular option; and (c) the nominal value of a Share on the offer date of the particular option.

(d) Maximum number of shares

(i) Subject to (iii) below, the maximum number of shares in respect of which options may be granted at any time under the Share Option Scheme together with options which may be granted under any other share option schemes for the time being of our Group shall not exceed such number of shares as equals 10% of the issued share capital of our Company at the effective date of the Share Option Scheme, i.e. the Listing Date. On the basis of a total of 640,000,000 shares in issue as at the Listing Date, the relevant limit is 64,000,000 shares which represent 10% of the issued shares on the Listing Date and the date of this annual report. Our Company may seek approval by the Shareholders in general meeting to refresh the 10% limit provided that the total number of shares available for issue under options which may be granted under the Share Option Scheme and any other schemes of our Group in these circumstances must not exceed 10% of the issued share capital of our Company at the date of approval of refreshing of the limit. Options previously granted under the Share Option Scheme and any other share option schemes of our Group (including those outstanding, cancelled, lapsed in accordance with the Share Option Scheme or any other share option schemes and exercised options) will not be counted for the purpose of calculating the limit as refreshed.

(ii) Our Company may seek separate approval by the Shareholders in general meeting for granting options beyond the 10% limit provided the options in excess of the limit are granted only to Eligible Participant specifically identified by our Company before such approval is sought. Our Company will send a circular to the Shareholders containing a generic description of the specified Eligible Participant who may be granted such options, the number and terms of the options to be granted, the purpose of granting options to the specified Eligible Participant with an explanation as to how the terms of the options serve such purpose, and such information as may be required under the GEM Listing Rules from time to time.

(iii) The limit on the number of shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Share Option Scheme and any other options granted and yet to be exercised under any other share option schemes of our Group must not exceed 30% of the shares in issue from time to time. No options may be granted under the Share Option Scheme or any other share option schemes of our Group if this will result in the limit being exceeded.

(iv) Unless approved by the Shareholders in the manner set out below, the total number of shares issued and to be issued upon exercise of the options granted to each grantee (including both exercised and outstanding options) in any 12-month period must not exceed 1% of the shares in issue. Where any further grant of options to an Eligible Participant would result in the shares issued and to be issued upon exercise of all options granted and to be granted to such person (including exercised, cancelled and outstanding options) in the 12-month period up to and including the date of such further grant representing in aggregate over 1% of the shares in issue, such further grant must be separately approved by the Shareholders in general meeting with such Eligible Participant and his/her close associates (or his/her associates if the Eligible Participant is a connected person of our Company) abstaining from voting. Our Company must send a circular to the Shareholders and the circular must disclose the identity of the Eligible Participant, the number and terms of the options to be granted (and options previously granted to such Eligible Participant), and such information as may be required under the GEM Listing Rules from time to time. The number and terms (including the subscription price) of options to be granted to such Eligible Participant must be fixed before our Shareholders' approval and the date of meeting of our Board for proposing such further grant should be taken as the date of grant for the purpose of calculating the subscription price.

(v) Each grant of options to any of our Directors, chief executive or substantial shareholders of our Company, or any of their respective associates must be approved by the independent non-executive Directors (excluding the independent non-executive Director who is the proposed grantee of the option (if any)). Where any grant of options to a substantial shareholder or an independent non-executive Director, or any of his/her respective associates, would result in the shares issued and to be issued upon exercise of all options already granted and to be granted (including options exercised, cancelled and outstanding) to such person in the 12-month period up to and including the date of such grant: (i) representing in aggregate over 0.1 per cent. of the Shares in issue; and (ii) having an aggregate value, based on the closing price of the Shares at the date of each grant, in excess of HK$5 million, such further grant of options must be approved by the shareholders. The Company must send a circular to the shareholders. All the grantee, his/her associates and all core connected persons of our Company must abstain from voting at such general meeting, except that any of them may vote against the relevant resolution at the general meeting provided that his/her intention to do so has been stated in the circular. Any vote taken at the meeting to approve the grant of such options must be taken on a poll.

(e) Exercise of options

An option may be exercised at any time during the period to be determined and identified by our Board to each grantee at the time of making an offer for the grant of an option, but in any event no later than 10 years from the date of grant but subject to the early termination of the Share Option Scheme.

Although there is no specified minimum period under the Share Option Scheme for which an option must be held or the performance target which must be achieved before an option can be exercised under the terms and conditions of the Share Option Scheme, our Directors may make such grant of options, subject to such terms and conditions in relation to the minimum period of such options to be held and/or the performance targets to be achieved as our Directors may determine in their absolute discretion.

Movements in the share options granted under the Share Option Scheme during the year ended 31 December 2023 is set out below:

	Date of grant	Exercisable period	Exercise price *HK$*	Closing price per share immediately before the date of grant *HK$*	No. of options outstanding as at 1 January 2023	Adjustment as a result of share consideration	Adjustment as a result of right issues	No. of options outstanding as at 31 December 2023	Approximate percentage of the underlying shares for the options in the issued shares of the Company as at 31 December 2023
Employees	21 May 2021	21 May 2021 to 20 May 2024	5.467	0.285	51,200,000	(48,640,000)	109,194	2,669,194 *(Note 1)*	1.60%
	20 January 2022	20 January 2022 to 19 January 2025	2.026	0.102	23,424,000	(22,252,800)	49,956	1,221,156 *(Note 2)*	0.73%
					74,624,000	(70,892,800)	159,150	3,890,350	2.33%

Notes:

1 Options have been granted to 8 employees. Each of them have 333,649 Options

2 Options have been granted to 3 employees. Each of them have 407,052 Options

The Share Option Scheme will expire on 17 October 2027.

No option has been granted, exercised, cancelled or lapsed under the Share Option Scheme during the year ended 31 December 2023. The number of options available for grant under the scheme mandate of the Share Option Scheme at the beginning and the end of the financial year 2023 (the "FY2023") were both 4,170,880 Shares. The total number of Shares available for issue under each of the Share Option Scheme (including options granted but not yet exercised and options available for issue) was 8,061,230 Shares, representing approximately 4.83% of the total number of issued Shares as at the date of the this report.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

During the year ended 31 December 2023 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 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 2023.

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

So far as the Directors and the Chief Executive are aware, as at 31 December 2023, other than the Directors and Chief Executive, the following person had or were deemed or taken to have an interest and/or short position in the shares or the underlying shares of the Company which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which would be recorded in the register of the Company required to be kept under section 336 of the SFO, or which would be, directly or indirectly, interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of the Company or any other members of the Group:

Shareholder	Number of shares/Position	Percentage of shareholding	Capacity
1. Ventris Global Limited	2,910,250	1.74%	Beneficial owner
2. Mr. Wang Hufei	10,471,750	6.28%	Beneficial owner

Save as disclosed above, as at 31 December 2023, the Directors and the Chief Executive of the Company are not aware of any other person who had an interest or short position in the shares or underlying shares which would require to be disclosed under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who was directly or indirectly interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meeting of the Company.

CONNECTED TRANSACTIONS

During the year ended 31 December 2023, the Company and 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.

EVENTS AFTER THE REPORTING PERIOD

Details of the significant events of the Group after the reporting period are set out in note 33 to the financial statements.

COMPLIANCE WITH THE CODE ON CORPORATE GOVERNANCE

A full corporate governance report is set out on pages 16 to 27 of this annual report.

PERMITTED INDEMNITY PROVISION

A permitted indemnity provision for the benefit of the Directors is currently in force and was in force throughout the year ended 31 December 2023. The Company has taken out and maintained appropriate insurance cover in respect of potential legal actions against its Directors and officers.

AUDITORS

Ernst & Young retired as auditors of the Company with effect from 28 June 2021 and McMillan Woods (Hong Kong) CPA Limited was appointed as the new auditors to fill the causal vacancy. The financial statements for the year ended 31 December 2023 was audited by McMillan Woods (Hong Kong) CPA Limited. McMillan Woods (Hong Kong) CPA Limited will retire at the conclusion of the forthcoming annual general meeting and a resolution for their reappointment as auditors of the Company will be proposed at the forthcoming annual general meeting.

On behalf of the board of directors

Chua Kang Lim
Chairman

Hong Kong
28 March 2024

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 68 to 139, which comprise the consolidated statement of financial position as at 31 December 2023, 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 material accounting policy information.

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 2023, 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.

The key audit matters we identified are: (i) impairment of trade receivables; and (ii) impairment of non-financial assets.

KEY AUDIT MATTERS (continued)

Key Audit Matter

Impairment of trade receivables

As at 31 December 2023, trade receivables of the Group amounted to S$6,221,430. The Group's trade receivables balance was significant to the total assets of the Group.

The collectability of trade receivables is a key element of the Group's working capital management, which is managed on an ongoing basis by management. The determination as to whether trade receivables are impaired under expected credit loss ("ECL") model involves management judgement and estimates. As such, we determined that this is a key audit matter.

Management considered the age of the outstanding balances, existence of disputes, recent historical payment patterns and any other available information concerning the creditworthiness of customers. Management incorporated this information together with the default rate of the industry and forward-looking growth rate to determine the allowance of ECL on trade receivables.

The material accounting policies information, critical judgements, key estimates, and the relevant disclosures related to trade receivables are included in notes 2.3, 3, 18 and 32 to the Group's consolidated financial statements.

How our audit addressed the Key Audit Matter

Our procedures in relation to impairment of trade receivables included but not limited to:

- Obtaining an understanding of and evaluating the Group's credit policies and internal control on ECL assessment;
- With the assistance of auditor's expert, assessing the reasonableness of the Group's ECL models by examining the model input used by management to form such judgements, including testing the accuracy of the historical default data, evaluating whether the historical default rates are appropriately adjusted based on current economic conditions and forward looking information;
- Recalculating the amounts of the ECL on trade receivables and assessing the appropriateness and adequacy of the ECL as at 31 December 2023;
- Reviewing settlements after the financial year end relating to the trade receivables as at 31 December 2023; and
- Reviewing the appropriateness of the disclosures made in the consolidated financial statements relating to the Group's credit risk exposure.

Impairment of non-financial assets

As at 31 December 2023, the carrying values of the Group's property, plant and equipment, right-of-use assets and intangible assets amounted to S$7,835,653, S$503,704 and S$49,672 respectively, which in total was significant to the total assets of the Group.

The determination of the recoverable amount, being the higher of fair value less costs of disposal and value-in-use, requires management judgement. As such, we determined that is a key audit matter.

The material accounting policy information, critical judgement and key estimates and the relevant disclosures in respect of impairment of non-financial assets are included in notes 2.3, 3, 13, 14 and 15 to the Group's consolidated financial statements.

Our key audit procedures in relation to assessing the impairment of non-financial assets included:

- Understanding the key internal controls and the procedures on preparation of the discounted cash flow forecasts and by assessing the future revenue and operating results and by comparing with historical performance and business development plan;

- Assessing the external valuers' qualifications, experience and expertise and considering their objectivity;

- Obtaining and inspecting the valuation report prepared by the external valuers engaged by the Group on which the management's assessments of impairment of non-financial assets were based;

- With the assistance of auditor's experts, evaluating the methodology used in the valuation of the CGU, challenging the key assumptions and critical judgements made in the preparation of the discounted cash flow forecasts prepared by management by comparing key inputs, with historical performance, management's budgets and forecasts and other external available information, and evaluating the discount rate applied in the discounted cash flow forecasts by assessing if the parameters adopted in calculating the discount rate was within the range of relevant industry; and

- Evaluating the adequacy of disclosures in respect of the impairment review in the consolidated financial statements.

OTHER INFORMATION

The Directors are responsible for the other information. The other information comprises the information in the Company's 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 AND AUDIT COMMITTEE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

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

The Audit Committee assists the Directors 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. We report our opinion solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

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

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

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

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

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

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

- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our 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.

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

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

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

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.

McMillan Woods (Hong Kong) CPA Limited
Certified Public Accountants
Sham Tsz Leung Desmond
Audit Engagement Director
Practising Certificate Number: P08234

24/F, Siu On Centre
188 Lockhart Road
Wan Chai
Hong Kong

28 March 2024

Consolidated Statement of Profit or Loss and Other Comprehensive Income

Year ended 31 December 2023

	Notes	2023	2022
		$	$
Revenue	5	**23,463,313**	26,244,251
Cost of sales		**(22,220,680)**	(27,843,122)
Gross profit/(loss)		**1,242,633**	(1,598,871)
Other income	5	**175,359**	234,855
Administrative expenses		**(6,297,171)**	(5,946,157)
Reversal (allowance of) expected credit losses ("ECLs")		**251,130**	(289,496)
Impairment of right-of-use assets		**–**	(1,379,986)
Impairment of property, plant and equipment		**(427,798)**	–
Finance costs	6	**(49,861)**	(68,246)
Loss before tax	7	**(5,105,708)**	(9,047,901)
Income tax (expense)/credit	10	**(8,649)**	383,440
Loss for the year		**(5,114,357)**	(8,664,461)
Other comprehensive income:			
Item that may be reclassified subsequent to profit or loss:			
Exchange differences on translation of foreign operation		**47,602**	–
Total comprehensive loss for the year attributable to owners of the Company		**(5,066,755)**	(8,664,461)
Loss per share			
Basic and diluted	12	**(0.0340)**	(0.1979)

Consolidated Statement of Financial Position

31 December 2023

	Notes	**2023**	2022
		$	$
Non-current assets			
Property, plant and equipment	13	**7,835,653**	7,959,852
Right-of-use assets	14(a)	**503,704**	348,584
Intangible assets	15	**49,672**	124,177
Deferred tax assets	16	**–**	8,649
Deposits	17	**–**	1,855,546
Total non-current assets		**8,389,029**	10,296,808
Current assets			
Trade receivables	18	**6,221,430**	3,981,833
Deposits and other receivables	17	**533,841**	1,045,006
Contract assets	19	**–**	41,616
Prepayments		**254,592**	147,149
Pledged deposits	20	**524,252**	511,859
Cash and bank balances	20	**1,664,561**	2,252,650
Total current assets		**9,198,676**	7,980,113
Current liabilities			
Trade payables	21	**962,236**	1,251,148
Contract liabilities	22	**77,824**	–
Other payables and accruals	23	**856,874**	984,977
Bank borrowings	24	**300,000**	847,288
Lease liabilities	14(b)	**731,838**	636,588
Total current liabilities		**2,928,772**	3,720,001
Net current assets		**6,269,904**	4,260,112
Total assets less current liabilities		**14,658,933**	14,556,920

Consolidated Statement of Financial Position

31 December 2023

	Notes	2023 $	2022 $
Non-current liabilities			
Lease liabilities	14(b)	**535,775**	829,694
Net assets		**14,123,158**	13,727,226
Equity			
Share capital	25	**5,725,993**	1,442,676
Reserves	26	**8,397,165**	12,284,550
Total equity		**14,123,158**	13,727,226

Approved and authorised for issue by the Board of Directors on 28 March 2024.

Chua Kang Lim
Director

Fung Mee Kuen
Director

Consolidated Statement of Changes in Equity

Year ended 31 December 2023

	Share capital $	Share premium $	Option reserve $	Foreign exchange reserve $	Accumulated losses $	Total equity $
At 1 January 2022	1,350,206	23,041,857	1,174,452	–	(4,657,552)	20,908,963
Share options issued	–	–	610,131	–	–	610,131
Issue of shares upon exercise of share options	92,470	1,191,561	(411,438)	–	–	872,593
Loss and total comprehensive loss for the year	–	–	–	–	(8,664,461)	(8,664,461)
At 31 December 2022 and 1 January 2023	1,442,676	24,233,418	1,373,145	–	(13,322,013)	13,727,226
Issue of shares upon rights issue	**4,283,317**	**1,284,995**	**–**	**–**	**–**	**5,568,312**
Transaction cost on issuance of shares upon right issue	**–**	**(105,625)**	**–**	**–**	**–**	**(105,625)**
Loss and total comprehensive loss for the year	**–**	**–**	**–**	**47,602**	**(5,114,357)**	**(5,066,755)**
At 31 December 2023	**5,725,993**	**25,412,788**	**1,373,145**	**47,602**	**(18,436,370)**	**14,123,158**

Consolidated Statement of Cash Flows

Year ended 31 December 2023

	Note	2023 $	2022 $
Cash flows from operating activities			
Loss before tax		**(5,105,708)**	(9,047,901)
Adjustments for:			
Depreciation of property, plant and equipment		**2,605,514**	1,998,107
Depreciation of right-of-use assets		**37,159**	684,713
(Reversal of)/allowance for expected credit losses on trade receivables		**(14,399)**	47,593
(Reversal of)/allowance for expected credit losses on deposits and other receivables		**(236,731)**	241,903
Amortisation of intangible assets		**74,505**	79,690
Gain on disposal of property, plant and equipment		**(111,346)**	(66,929)
Finance costs		**49,861**	68,246
Loss on disposal of a subsidiary		**–**	14,673
Interest income		**(12,392)**	(8,217)
Share-based payment expenses		**–**	610,131
Written-off of intangible assets		**–**	8,643
Exchange losses, net		**112,344**	13,551
Impairment of right-of-use assets		**–**	1,379,986
Impairment of property, plant and equipment		**427,798**	–
Operating loss before working capital changes		**(2,173,395)**	(3,975,811)
Increase in trade receivables		**(2,225,198)**	(709,223)
Decrease/(increase) in contract assets		**41,616**	(40,293)
Decrease/(increase) in deposits and other receivables		**2,603,442**	(3,004,847)
(Increase)/decrease in prepayments		**(107,443)**	414,077
(Decrease)/increase in trade payables		**(288,912)**	642,218
(Decrease)/increase in other payables and accruals		**(128,103)**	105,391
Increase in contract liabilities		**77,824**	–
Net cash flows used in from operating activities		**(2,200,169)**	(6,568,488)
Cash flows from investing activities			
Interest income received		**12,392**	8,217
Purchase of property, plant and equipment		**(3,045,197)**	(1,026,464)
Net cash inflow from disposal of a subsidiary	28(d)	**–**	636,844
Proceeds from disposal of property, plant and equipment		**535,000**	151,463
Increase in pledged deposits		**(12,393)**	(8,217)
Net cash flows used in investing activities		**(2,510,198)**	(238,157)

Consolidated Statement of Cash Flows

Year ended 31 December 2023

	Note	2023	2022
		$	$
Cash flows from financing activities			
Proceeds from issue of shares upon rights issue		**5,568,312**	–
Cost of issue of shares upon rights issue		**(105,625)**	–
Proceeds from issuance of shares upon exercise of share options		**–**	872,593
Cost of issue of shares exercise of share options		**–**	–
Repayment of bank borrowings		**(847,288)**	(1,023,611)
Borrowing raised		**300,000**	–
Payment of principal and interest portion of lease liabilities		**(758,280)**	(813,200)
Interest paid		**(7,612)**	(28,057)
Net cash flows generated from/(used in) financing activities		**4,149,507**	(992,275)
Net decrease in cash and cash equivalents		**(560,860)**	(7,798,920)
Cash and cash equivalents at beginning of year		**2,252,650**	10,065,121
Effect of foreign exchange rate changes, net		**(27,229)**	(13,551)
Cash and cash equivalents at end of year	20	**1,664,561**	2,252,650

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 21st Floor, CMA Building, 64 Connaught Road Central, Hong Kong. The head office and principal place of business of the Group is at 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 and Hong Kong, primarily trucking and hubbing services.

Information about subsidiaries

Particulars of the Company's subsidiaries at 31 December are as follows:

Company name	Place of incorporation/ operations	Issued ordinary share capital	Percentage of equity attributable to the Company		Principal activities
			2023	2022	
CA Transportation & Warehousing Pte	Singapore	$3,000,000	**Indirect 100%**	Indirect 100%	Trucking and hubbing
New Pine Global Limited	The British Virgin Islands	US$3	**Direct 100%**	Direct 100%	Investment holding
Loyal Zone Limited	The British Virgin Islands	US$1,000	**Direct 100%**	Direct 100%	Investment holding
C&N Hong Kong Limited	Hong Kong	HK$1,000	**Indirect 100%**	Indirect 100%	Inactive
Success Elegant Limited	Hong Kong	HK$1	**Direct 100%**	Direct 100%	Trucking

2.1 BASIS OF PREPARATION

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 ("IASB") and the disclosure requirements of the Hong Kong Companies Ordinance. These consolidated financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on GEM of the Stock Exchange (the "GEM Listing Rules"). Material accounting policy information adopted by the Group are disclosed in note 2.3.

The consolidated financial statements have been prepared under the historical cost convention. The consolidated financial statements are presented in Singapore dollars ("S$" or "$"), which is also the functional currency of the Company except when otherwise indicated.

2.1 BASIS OF PREPARATION (continued)

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 2023. 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 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 the related assets (including goodwill), liabilities, any non-controlling interest and the exchange reserve in equity; and recognises (i) the fair value of the consideration received, (ii) the fair value of any investment retained and 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.

Separate financial statements

In the Company's statement of financial position, an investment in a subsidiary is stated at cost less impairment loss, unless the investment in classified as held for sale. Cost includes direct attributable costs of investments. The results of subsidiaries are accounted for by the Company on basis of dividend received or receivable.

Impairment testing of the investments in subsidiaries is required upon receiving a dividend from these investments if the dividend exceeds the total comprehensive income of the subsidiary in the period the dividend is declared or if the carrying amount of the investment in the separate financial statements exceeds the carrying amount in the consolidated financial statements of the investee's net assets including goodwill.

2.2 ADOPTION OF NEW AND AMENDMENT INTERNATIONAL FINANCIAL REPORTING STANDARDS

Application of new and revised IFRSs

The Group has applied the following amendments to IFRSs issued by the IASB for the first time, which are mandatorily effective for the annual period beginning on or after 1 January 2023 for the preparation of the consolidated financial statements:

IFRS 17 (including the October 2020 and February 2022 Amendments to IFRS 17)	Insurance Contracts
Amendments to IAS 1 and IFRS Practice Statement 2	Presentation of Financial Statements and Making Materiality Judgement — Disclosure of Accounting Policies
Amendments to IAS 8	Accounting Policies, Changes in Accounting Estimates and Errors — Definition of accounting estimates
Amendments to IAS 12	Income Tax — Deferred Tax related to Assets and Liabilities arising from a Single Transactions
Amendments to IAS 12	Income Tax — International Tax Reform

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

Amendments to IAS 1 require entities to disclose their material accounting policy information rather than their significant accounting policies. Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements. Amendments to IFRS Practice Statement 2 Making Materiality Judgements provide non-mandatory guidance on how to apply the concept of materiality to accounting policy disclosures. The Group has disclosed the material accounting policy information in note 2.3 to the financial statements. The application of the amendment has had no material impact on the Group's financial positions and performance but has affected the disclosure of the Group's accounting policies set out in note 2.3 to the consolidated financial statements.

2.2 ADOPTION OF NEW AND AMENDMENT INTERNATIONAL FINANCIAL REPORTING STANDARDS (continued)

New and amendments to IFRSs issued but not yet effective

The Group has not applied any new and revised IFRSs that have been issued but are not yet effective for the financial year beginning 1 January 2023. These new and revised IFRSs include the following which may be relevant to the Group.

	Effective for accounting periods beginning on or after
Amendments to IAS 1 - Classification of Liabilities as Current or Non-current	1 January 2024
Amendments to IAS 1 - Non-current Liabilities with Covenants	1 January 2024
Amendments to IAS 7 and IFRS 7 - Supplier Finance Arrangements	1 January 2024
Amendments to IAS 21 - Lack of Exchangeability	1 January 2025
Amendments to IFRS 16 - Lease Liability in a Sale and Leaseback	1 January 2024
Amendments to IFRS 10 & IAS 28 - Sale or Contribution of Assets between an Investor and its Associate or Join Venture	To be determined

The Group is in the process of making an assessment of what the impact of these amendments and new standards is expected to be in the period of initial application. So far it has concluded that the adoption of them is unlikely to have a significant impact on the consolidated financial statements.

2.2 ADOPTION OF NEW AND AMENDMENT INTERNATIONAL FINANCIAL REPORTING STANDARDS (continued)

New HKICPA guidance on the accounting implications of the abolition of the MPF-LSP offsetting mechanism

In June 2022, the Hong Kong SAR Government (the "Government") gazetted the Hong Kong Employment and Retirement Schemes Legislation (Offsetting Arrangement) (Amendment) Ordinance 2022 (the "Amendment Ordinance"), which will come into effect from 1 May 2025 (the "Transition Date"). Once the Amendment Ordinance takes effect, an employer can no longer use any of the accrued benefits derived from its mandatory contributions to mandatory provident fund ("MPF") scheme to reduce the long service payment ("LSP") in respect of an employee's service from the Transition Date (the abolition of the "offsetting mechanism"). In addition, the LSP in respect of the service before the Transition Date will be calculated based on the employee's monthly salary immediately before the Transition Date and the years of service up to that date.

In July 2023, the HKICPA published "Accounting implications of the abolition of the MPF-LSP offsetting mechanism in Hong Kong" that provides accounting guidance relating to the offsetting mechanism and the abolition of the mechanism. In particular, the guidance indicates that entities may account for the accrued benefits derived from mandatory MPF contributions that are expected to be used to reduce the LSP payable to an employee as deemed contributions by that employee towards the LSP.

Applying this approach, upon the enactment of the Amendment Ordinance in June 2022, it is no longer permissible to apply the practical expedient in paragraph 93(b) of IAS 19 that previously allowed such deemed contributions to be recognised as reduction of service cost (negative service cost) in the period the contributions were made. Instead, these deemed contributions should be attributed to periods of service in the same manner as the gross LSP benefit. The directors of the company assessed and the Amendment Ordinance has no material impact on the Group's LSP liability and staff cost. Hence, no material impact on the Group's results and financial position.

2.3 MATERIAL ACCOUNTING POLICY INFORMATION

Business combinations and goodwill

The acquisition method is used to amount for the acquisition of a subsidiary in a business combination. The acquisition method is used to account for the acquisition of a subsidiary in a business combination. The consideration transferred in a business combination is measured at the acquisition-date fair value of the assets given, equity instruments issued, liabilities incurred and any contingent consideration. Acquisition-related costs are recognised as expenses in the periods in which the costs are incurred and the services are received. Identifiable assets and liabilities of the subsidiary in the acquisition are, with limited exceptions, measured at their acquisition-date fair values.

The excess of the sum of the consideration transferred over the Group's share of the net fair value of the subsidiary's identifiable assets and liabilities is recorded as goodwill. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the sum of the consideration transferred is recognised in consolidated profit or loss as a gain on bargain purchase which is attributed to the Group.

In a business combination achieved in stages, the previously held equity interest in the subsidiary is remeasured at its acquisition-date fair value and the resulting gain or loss is recognised in consolidated profit or loss. The fair value is added to the sum of the consideration transferred in a business combination to calculate the goodwill.

2.3 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Business combinations and goodwill (continued)

After initial recognition, goodwill is measured at cost less accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the cash-generating units ("CGUs") or groups of CGUs that is expected to benefit from the synergies of the combination. Each unit or group of units to which the goodwill is allocated represents the lowest level within the Group at which the goodwill is monitored for internal management purposes. Goodwill impairment reviews are undertaken annually, or more frequently if events or changes in circumstances indicate a potential impairment. The carrying value of the CGU containing the goodwill is compared to its recoverable amount, which is the higher of value in use and the fair value less costs of disposal. Any impairment is recognised immediately as an expense and is not subsequently reversed.

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

The carrying amounts of non-financial assets are reviewed at each reporting date for indications of impairment and where an asset is impaired, it is written down as an expense through the consolidated statement of profit or loss to its estimated recoverable amount. The recoverable amount 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. If this is the case, recoverable amount is determined for the cash-generating unit to which the asset belongs. Recoverable amount is the higher of value in use and the fair value less costs of disposal of the individual asset or the cash-generating unit.

Value in use is the present value of the estimated future cash flows of the asset or cash-generating unit. Present values are computed using pre-tax discount rates that reflect the time value of money and the risks specific to the asset or cash-generating unit whose impairment is being measured.

Impairment losses for cash-generating units are allocated first against the goodwill of the unit and then pro rata amongst the other assets of the cash-generating unit. Subsequent increases in the recoverable amount caused by changes in estimates are credited to profit or loss to the extent that they reverse the impairment unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

Fair value measurement

The Group measures its equity investment at fair value at the end of each reporting period. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. 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.

2.3 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Fair value measurement (continued)

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 inputs: quoted price (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date.

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

Level 3 inputs: unobservable inputs for the assets or liability.

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.

2.3 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Property, plant and equipment and depreciation

Property, plant and equipment are held for use in the production or supply of goods or services, or for administrative purposes (other than properties under construction as described below). Property, plant and equipment are stated in the consolidated statement of financial position at cost, less subsequent accumulated depreciation and subsequent accumulated impairment losses, if any.

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

Subsequent costs are included in the asset’s carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are recognised in profit or loss during the period in which they are incurred.

2.3 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Property, plant and equipment and depreciation (continued)

Depreciation of property, plant and equipment is calculated at rates sufficient to write off their cost less their residual value over the estimated useful life on a straight-line basis. The principal annual rates are as follows:

Motor vehicles	5 years to 10 years
Furniture and fittings	5 years
Office equipment	1 year
Computers	1 year
Properties	26 years
Leasehold improvements	2 years

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

The gain or loss on disposal of property, plant and equipment is the difference between the net sales proceeds and the carrying amount of the relevant asset, and is recognised in profit or loss.

Intangible assets (other than goodwill)

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is the fair value at the date of acquisition. The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are subsequently amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each financial year end.

Computer software

Purchased computer software is stated at cost, less any impairment losses, and is amortised on the straight-line basis over its estimated useful lives of 5 years.

2.3 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Leases

At inception of a contract, the Group assesses whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Control is conveyed where the customer has both the right to direct the use of the identified asset and to obtain substantially all of the economic benefits from that use.

The Group as a lessee

Where the contract contains lease component(s) and non-lease component(s), the Group has elected not to separate non-lease components and accounts for each lease component and any associated non-lease components as a single lease component for all leases.

At the lease commencement date, the Group recognises a right-of-use asset and a lease liability, except for short-term leases that have a lease term of 12 months or less and leases of low-value assets which, for the Group are primarily laptops and office furniture. When the Group enters into a lease in respect of a low-value asset, the Group decides whether to capitalise the lease on a lease-by-lease basis. The lease payments associated with those leases which are not capitalised are recognised as an expense on a systematic basis over the lease term.

Where the lease is capitalised, the lease liability is initially recognised at the present value of the lease payments payable over the lease term, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, using a relevant incremental borrowing rate. Lease payments to be made under reasonably certain extension options are also included in the measurement of the lease liability. After initial recognition, the lease liability is measured at amortised cost and interest expense is calculated using the effective interest method.

Variable lease payments that do not depend on an index or rate are not included in the measurement of the lease liability and hence are charged to profit or loss in the accounting period in which they are incurred.

To determine the incremental borrowing rate, the Group:

- where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received

- uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases held by Sub 2 Limited, which does not have recent third-party financing, and

- makes adjustments specific to the lease, eg term, country, currency and security.

If a readily observable amortising loan rate is available to the individual lessee (through recent financing or market data) which has a similar payment profile to the lease, then the group entities use that rate as a starting point to determine the incremental borrowing rate.

2.3 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Leases (continued)

The Group as a lessee (continued)

The right-of-use asset recognised when a lease is capitalised is initially measured at cost, which comprises the initial amount of the lease liability plus any lease payments made at or before the commencement date, and any initial direct costs incurred. Where applicable, the cost of the right-of-use assets also includes an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, discounted to their present value, less any lease incentives received. The right-of-use asset is subsequently stated at cost less accumulated depreciation and impairment losses, except for the right-of-use asset that meet the definition of investment property are carried at fair value in accordance with note 4(h).

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

When the Group obtains ownership of the underlying leased assets at the end of the lease term, upon exercising purchase options, the cost of the relevant right-of-use assets and the related accumulated depreciation and impairment loss are transferred to property, plant and equipment/the carrying amount of the relevant right-of-use asset is transferred to property, plant and equipment.

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

The lease liability is remeasured when there is a change in future lease payments arising from a change in an index or rate, or there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or there is a change arising from the reassessment of whether the Group will be reasonably certain to exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The lease liability is also remeasured when there is a change in the scope of a lease or the consideration for a lease that is not originally provided for in the lease contract ("lease modification") that is not accounted for as a separate lease. In this case the lease liability is remeasured based on the revised lease payments and lease term using a revised discount rate at the effective date of the modification. The only exceptions are any rent concessions which arose as a direct consequence of the COVID-19 pandemic and which satisfied the conditions set out in paragraph 46B of IFRS 16. In such cases, the Group took advantage of the practical expedient not to assess whether the rent concessions are lease modifications, and recognised the change in consideration as negative lease payments in profit or loss in the period in which the event or condition that triggers the rent concessions occurred.

2.3 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Leases (continued)

The Group as a lessor

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to the ownership of an underlying assets to the lessee. If this is not the case, the lease is classified as an operating lease.

When the Group is an intermediate lessor, the sub-leases are classified as a finance lease or as an operating lease with reference to the right-of-use asset arising from the head lease. If the head lease is a short-term lease to which the group applies the exemption in note 28, then the Group classifies the sub-lease as an operating lease.

Investments and other financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income, and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient of not adjusting the effect of a significant financing component, the Group initially measures a financial asset at its fair value, plus in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under IFRS 15 in accordance with the policies set out for "Revenue recognition" below.

In order for a financial asset to be classified and measured at amortised cost or fair value through other comprehensive income, it needs to give rise to cash flows that are solely payments of principal and interest ("SPPI") on the principal amount outstanding. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows, while financial assets classified and measured at fair value through other comprehensive income are held within a business model with the objective of both holding to collect contractual cash flows and selling. Financial assets which are not held within the aforementioned business models are classified and measured at fair value through profit or loss.

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

2.3 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Investments and other financial assets (continued)

Subsequent measurement

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

Financial assets at amortised cost (debt instruments)

Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment. Gains and losses are recognised in the statement of profit or loss when the asset is derecognised, modified or impaired.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in the statement of profit or loss.

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 primarily derecognised (i.e., removed from the Group's consolidated statement of financial position) when:

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

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the 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.

Impairment of financial assets and contracts assets

The Group recognises a loss allowance for ECLs on investments in debt instruments that are measured at amortised cost, trade and other receivables, contract assets, pledged bank deposits and bank balances. The amount of ECLs is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

2.3 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Impairment of financial assets and contracts assets (continued)

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

For all other financial instruments, the Group recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month ECL.

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

Significant increase in credit risk

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

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

- an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;
- significant deterioration in external market indicators of credit risk for a particular financial instrument;
- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;

2.3 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Impairment of financial assets and contracts assets (continued)

Significant increase in credit risk (continued)

- an actual or expected significant deterioration in the operating results of the debtor;
- significant increases in credit risk on other financial instruments of the same debtor;
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

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

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

(i) the financial instrument has a low risk of default,

(ii) the debtor has a strong capacity to meet its contractual cash flow obligations in the near term, and

(iii) adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

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

For financial guarantee contracts, the date that the Group becomes a party to the irrevocable commitment is considered to be the date of initial recognition for the purposes of assessing the financial instrument for impairment. In assessing whether there has been a significant increase in the credit risk since initial recognition of a financial guarantee contracts, the Group considers the changes in the risk that the specified debtor will default on the contract.

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

2.3 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Impairment of financial assets and contracts assets (continued)

Definition of default

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

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

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

Credit-impaired financial assets

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

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

Write-off policy

The Group writes off a financial asset when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, including when the debtor has been placed under liquidation or has entered into bankruptcy proceedings, or in the case of trade receivables, when the amounts are over two years past due, whichever occurs sooner. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

2.3 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Impairment of financial assets and contracts assets (continued)

Measurement and recognition of ECL

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

For financial assets, the expected credit loss is estimated as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the original effective interest rate. For a lease receivable, the cash flows used for determining the expected credit losses is consistent with the cash flows used in measuring the lease receivable in accordance with IFRS 16.

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

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

The Group recognises an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account, except for investments in debt instruments that are measured at FVTOCI, for which the loss allowance is recognised in other comprehensive income and accumulated in the investment revaluation reserve, and does not reduce the carrying amount of the financial asset in the statement of financial position.

2.3 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Financial liabilities and equity instruments

Financial liabilities and equity instruments issued by a group entity are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument under IFRSs. The accounting policies adopted for specific financial liabilities and equity instruments are set out below.

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

Financial liabilities

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

Financial liabilities at amortised cost

Financial liabilities including amounts due to securities brokers, other payables, accruals and promissory notes are subsequently measured at amortised cost, using the effective interest method.

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, demand deposits with banks and other financial institutions, and short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, having been within three months of maturity at acquisition. Bank overdrafts that are repayable on demand and form an integral part of the group's cash management are also included as a component of cash and cash equivalents for the purpose of the consolidated statement of cash flows. Cash and cash equivalents are assessed for ECL.

Provisions

Provisions are recognised for liabilities of uncertain timing or amount when the Group has a present legal or constructive obligation arising as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made. Where the time value of money is material, provisions are stated at the present value of the expenditures expected to settle the obligation. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

Income tax

Income tax represents the sum of the current tax and deferred tax.

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

2.3 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Income tax (continued)

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

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised, based on tax rates that have been enacted or substantively enacted by the end of the reporting period. Deferred tax is recognised in profit or loss, except when it relates to items recognised in other comprehensive income or directly in equity, in which case the deferred tax is also recognised in other comprehensive income or directly in equity.

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

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

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 consolidated statement of financial position.

Government grants

A government grant is recognised when there is reasonable assurance that the Group will comply with the conditions attaching to it and that the grant will be received.

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

2.3 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Revenue recognition

Revenue is measured based on the consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Revenue is recognised when the Group satisfies a performance obligation by transferring a promised good or service to the customer, which is when the customer obtains control of the good or service. A performance obligation may be satisfied at a point in time or over time. The amount of revenue recognised is the amount allocated to the satisfied performance obligation.

(a) Rendering of services

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

Trucking income is recognised over time when services are provided because the customer simultaneously receives and consumes the benefits provided by the Group. The revenue is recognised by reference to the progress towards complete satisfaction of the relevant performance obligation. The progress towards completes satisfaction of a performance obligation is measured based on output method, which is to recognise revenue on the basis of direct measurements of the value of the goods or services transferred to the customer to date relative to the remaining goods or services promised under the contract, the best depict the Group's performance in transferring control of goods and services.

Hubbing income is recognised over the respective storage periods on a straight-line basis because the customer simultaneously receives and consumes the benefits provided by the Group.

(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.

Contract assets

Contract asset is recognised when the Group recognises revenue before being unconditionally entitled to the consideration under the payment terms set out in the contract. Contract assets are assessed for ECL in accordance with the policy set out in note 2.3 and are reclassified to receivables when the right to the consideration has become unconditional.

Contract liabilities

A contract liability is recognised when the customer pays consideration before the Group recognises the related revenue. A contract liability would also be recognised if the Group has an unconditional right to receive consideration before the Group recognises the related revenue. In such cases, a corresponding receivable would also be recognised.

2.3 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Employee benefits

(a) Employee leave entitlements

Employee entitlements to annual leave and long service leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave and long service leave as a result of services rendered by employees up to the end of the reporting period. Employee entitlements to sick leave and maternity leave are not recognised until the time of leave.

(b) Pension obligations

The Group contributes to defined contribution retirement schemes which are available to all employees. Contributions to the schemes by the Group and employees are calculated as a percentage of employees' basic salaries. The retirement benefit scheme cost charged to profit or loss represents contributions payable by the Group to the funds.

Amendments to IAS 1 require entities to disclose their material accounting policy information rather than their significant accounting policies. Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements. Amendments to IFRS Practice Statement 2 Making Materiality Judgements provide non-mandatory guidance on how to apply the concept of materiality to accounting policy disclosures. The Group has disclosed the material accounting policy information in note 2.3 to the financial statements. The amendments did no have any impact on the measurement, recognition or presentation of any items in the Group's financial statements.

(c) Termination benefits

Termination benefits are recognised at the earlier of the dates when the Group can no longer withdraw the offer of those benefits, and when the Group recognises restructuring costs and involves the payment of termination benefits.

Borrowing costs

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

Share-based payments

The Group issues equity-settled share-based payments to certain employees. Equity-settled share-based payments are measured at the fair value (excluding the effect of non-market based vesting conditions) of the equity instruments at the date of grant. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of shares that will eventually vest and adjusted for the effect of non-market based vesting conditions.

The Group issues equity-settled share-based payments to certain directors and employees.

Equity-settled share-based payments to directors and employees are measured at the fair value (excluding the effect of non-market based vesting conditions) of the equity instruments at the date of grant. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of shares that will eventually vest and adjusted for the effect of non-market based vesting conditions.

2.3 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Foreign currency translation

Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The consolidated financial statements are presented in Singapore dollars, which is the Company's functional and presentation currency.

Transactions and balances in each entity's financial statements

Transactions in foreign currencies are translated into the functional currency on initial recognition using the exchange rates prevailing on the transaction dates. Monetary assets and liabilities in foreign currencies are translated at the exchange rates at the end of each reporting period. Gains and losses resulting from this translation policy are recognised in profit or loss.

Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the foreign exchange rates ruling at the transaction dates. The transaction date is the date on which the company initially recognises such non-monetary assets or liabilities. Non-monetary items that are measured at fair value in foreign currencies are translated using the exchange rates at the dates when the fair values are determined.

When a gain or loss on a non-monetary item is recognised in other comprehensive income, any exchange component of that gain or loss is recognised in other comprehensive income. When a gain or loss on a non-monetary item is recognised in profit or loss, any exchange component of that gain or loss is recognised in profit or loss.

(i) *Translation on consolidation*

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

- Assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position;

- Income and expenses are translated at average exchange rates for the period (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the exchange rates on the transaction dates); and

- All resulting exchange differences are recognised in other comprehensive income and accumulated in the foreign exchange reserve.

On consolidation, exchange differences arising from the translation of monetary items that form part of the net investment in foreign entities are recognised in other comprehensive income and accumulated in the foreign exchange reserve.

3. CRITICAL JUDGEMENTS AND KEY ESTIMATES

The preparation of the Group's consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and their accompanying disclosures, and the disclosure of contingent liabilities. 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

In the process of applying the Group's accounting policies, management has made the following judgements, apart from those involving estimations, which have the most significant effect on the amounts recognised in the consolidated financial statements:

Revenue from contracts with customers

The Group applied the following judgements that significantly affect the determination of the amount and timing of revenue from contracts with customers:

(a) *Identifying performance obligations in a bundled service of trucking services and hubbing services*

The Group provides trucking services that are either provided separately or bundled together with the providing of hubbing services to a customer. The Group determined that both trucking services and hubbing services are each capable of being distinct. Trucking services mainly refer to the transportation of containers using prime movers or the transportation of loose goods using lorries and other ancillary services. Hubbing services refer to container storage services provided through container yards leased by the Group. Although the trucking services and hubbing services are usually inputs to a combined item in the contract, the Group determined that the promises to provide the trucking services and the hubbing services are distinct within the context of the contract. For trucking business, the Group needs to deliver the goods to the designated point while hubbing business, the Group has to sublet their yards to their customers to allow them to store their containers. In addition, the trucking services and hubbing services are not highly interdependent or highly interrelated, because the Group would be able to provide the trucking services even if the customer declined hubbing services. Consequently, the Group has allocated a portion of the transaction price to the trucking services and the hubbing services based on relative standalone selling prices.

(b) *Determining the timing of satisfaction of trucking services and hubbing services*

The Group concluded that revenue from trucking services and hubbing services is recognised over time because the customer simultaneously receives and consumes the benefits provided by the Group. The Group determined that trucking income is recognized over time when customer simultaneously receives and consumes the benefit provided by the Group's performance as the Group performs, using output method and hubbing income is recognised over the respective periods on a straight-line basis because the customer simultaneously receives and consumes the benefits provided by the Group.

(c) *Significant increase in credit risk*

ECL under general approach are measured as an allowance equal to 12-month ECL for stage 1 assets, or lifetime ECL for stage 2 or stage 3 assets. An asset moves to stage 2 when its credit risk has increased significantly since initial recognition. IFRS 9 does not define what constitutes a significant increase in credit risk. In assessing whether the credit risk of an asset has significantly increased the Group takes into account qualitative and quantitative reasonable and supportable forward-looking information.

3. CRITICAL JUDGEMENTS AND KEY ESTIMATES (continued)

Estimation uncertainty

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

Impairment of non-financial assets

The Group assesses whether there are any indicators of impairment for all non-financial assets (including the right-of-use assets) 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 or 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.

The aggregate carrying amount of non-financial assets, including property, plant and equipment, right-of-use assets and intangible assets at 31 December 2023 was $8,389,029 (2022: $8,432,613).

Allowance for ECL on trade receivables and contract assets

The Group uses a provision matrix to calculate ECLs for trade receivables and contract assets. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns.

The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions (i.e., gross domestic product) are expected to deteriorate over the next year which can lead to an increased number of defaults in the manufacturing sector, the historical default rates are adjusted. At each reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation among historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and forecast economic conditions. The Group's historical credit loss experience and forecast economic conditions may also not be representative of a customer's actual default in the future. The information about the ECLs on the Group's trade receivables and contract assets is disclosed in note 32 to the consolidated financial statements.

At 31 December 2023, the aggregate carrying amount of trade receivables and contract assets is $6,221,340 (net allowance for doubtful debt of $32,750) (2022: $4,023,449 (net allowance for doubtful debt of $47,593)).

3. CRITICAL JUDGEMENTS AND KEY ESTIMATES (continued)

Estimation uncertainty (continued)

Allowance for ECLs on deposits and other receivables

The Group makes allowance for impairment of deposits and other receivables based on assumptions about risk of default and expected loss rates. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Group's past history, existing market conditions as well as forward-looking estimates at the end of reporting period. The amount of the impairment loss based on ECL model is measured at the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the effective interest rate determined at initial recognition. Where the future cash flows are less than expected, or being revised downward due to changes in facts and circumstances, a material impairment loss may arise.

At 31 December 2023, the carrying amount of deposits and other receivables is $533,841, net allowance of doubtful debts of $236,731 (2022: $2,900,552) (net allowance for doubtful debts of $241,903).

4. SEGMENT INFORMATION

The chief operating decision maker has been identified as the directors of the Company. The directors review the Group's internal reporting for the purposes of resource allocation and assessment of segment performance which focused on the category of services. The Group has identified two reportable segments as follows:

The trucking segment — 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 and Hong Kong.

The hubbing segment — the offering of the Group's container storage facility at its logistics yard to its customers.

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

4. SEGMENT INFORMATION (continued)

Year ended 31 December 2023	**Trucking** *$*	**Hubbing** *$*	**Total** *$*
Segment revenue *(note 5)*			
Sales to external customers	21,336,737	2,126,576	23,463,313
Segment results	(53,654)	(1,816,433)	(1,870,087)
Reconciliation			
Other income			175,359
Reversal of allowance for ECL			259,412
Unallocated finance costs			(7,612)
Corporate and other unallocated expenses			(3,662,780)
Loss before tax			(5,105,708)
Segment assets	13,553,522	1,007,264	14,560,786
Reconciliation			
Pledged deposits			524,252
Cash and bank balances			1,664,561
Corporate and other unallocated assets			838,106
Total assets			17,587,705
Segment liabilities	1,573,119	828,096	2,401,215
Reconciliation			
Bank borrowings			300,000
Corporate and other unallocated liabilities			763,332
Total liabilities			3,464,547
Other segment information			
Depreciation and amortisation	1,487,379	233,667	1,721,046
Impairment of property, plant and equipment	427,798	–	427,798
Unallocated amounts			568,334
			2,717,178
Capital expenditure*	3,562,559	–	3,562,559

* Represents additions to property, plant and equipment and right-of-use assets

4. SEGMENT INFORMATION (continued)

Year ended 31 December 2022	Trucking *$*	Hubbing *$*	Total *$*
Segment revenue *(note 5)*			
Sales to external customers	22,181,798	4,062,453	26,244,251
Segment results	(2,569,803)	(3,025,777)	(5,595,580)
Reconciliation			
Other income			234,855
Allowance for ECL			(289,496)
Impairment of right-of-use assets			(1,379,986)
Finance costs			(28,057)
Corporate and other unallocated expenses			(1,989,637)
Loss before tax			(9,047,901)
Segment assets	11,223,793	1,066,475	12,290,268
Reconciliation			
Deferred tax assets			8,649
Pledged deposits			511,859
Cash and bank balances			2,252,650
Corporate and other unallocated assets			3,213,495
Total assets			18,276,921
Segment liabilities	1,549,547	1,420,640	2,970,187
Reconciliation			
Bank borrowings			847,288
Corporate and other unallocated liabilities			732,220
Total liabilities			4,549,695
Other segment information			
Depreciation and amortisation	1,631,871	944,713	2,576,584
Impairment of right-of-use assets	–	1,379,936	1,379,936
Written-off of intangible assets			8,643
Unallocated amounts			185,926
			4,151,089
Capital expenditure*	1,026,464	1,713,086	2,739,550

* Represents additions to property, plant and equipment and right-of-use assets

4. SEGMENT INFORMATION (continued)

Revenue from major customers

Revenue from each major customer which individually contributed to 10% or more of the total revenue of the Group is set out below:

	2023 $	2022 $
Customer A	10,117,334	9,818,778
Customer B	3,500,087	3,346,881
Customer C	2,998,056	3,210,169
Customer D	N/A*	2,656,004

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

* The corresponding customers did not contribute over 10% of the total revenue of the Group for the specific year.

Geographical information

	Revenue		Non-current assets	
	2023 $	2022 $	2023 $	2022 $
Hong Kong	3,108,775	–	2,840,722	701,699
Singapore	20,354,538	26,244,251	5,548,307	7,730,914
Consolidated total	23,463,313	26,244,251	8,389,029	8,432,613

5. REVENUE AND OTHER INCOME

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

An analysis of revenue is as follows:

	2023	2022
	$	$
Revenue from contracts with customers within the scope of IFRS 15	**23,463,313**	26,244,251

(i) Disaggregated revenue information

Revenue from contracts with customers within the scope of IFRS 15

	2023	2022
	$	$
Types of goods or services		
Trucking services	**21,336,737**	22,181,798
Hubbing services	**2,126,576**	4,062,453
	23,463,313	26,244,251
Timing of revenue recognition		
Services transferred over time	**23,463,313**	26,244,251

5. REVENUE AND OTHER INCOME (continued)

(ii) Performance obligations

Information about the Group's performance obligations is summarised below:

Trucking income

The performance obligation is satisfied over time when the customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs, using output method.

Hubbing income

The performance obligation is satisfied over the respective storage periods on a straight-line basis.

The amounts of transactions prices allocated to the performance obligations are expected to be recognised as revenue within one year.

The Group has applied the practical expedient in paragraph 121 of IFRS 15 such that the above information does not include information about revenue that the Group will be entitled to when it satisfies the remaining performance obligations under the contracts that had an original expected duration of one year or less.

(iii) Other income

An analysis of other income is as follows:

	2023 $	2022 $
Interest income	12,392	8,217
Gain on disposal of property, plant and equipment	111,346	66,929
Government grants *(note)*	51,595	159,709
Sundry income	26	–
	175,359	234,855

Note:

There were no unfulfilled conditions or contingencies relating to the various government grants mainly Jobs Support Scheme received from the Singapore Government.

6. FINANCE COSTS

	2023 $	2022 $
Interest on lease liabilities	42,249	40,189
Interest on bank borrowings	7,612	28,057
	49,861	68,246

7. LOSS BEFORE TAX

The Group's loss before tax is arrived at after charging/(crediting):

	2023 $	2022 $
Employee benefits (excluding Directors' emoluments *(note 8)*)		
— Salaries and wages	**7,827,547**	7,310,672
— CPF contributions	**707,339**	622,823
— Share-based payments expenses	**–**	610,131
	8,534,886	8,543,626
Depreciation of property, plant and equipment *(note 13)*	**2,605,514**	1,998,107
Amortisation of intangible assets *(note 15)*	**74,505**	79,690
Depreciation of right-of-use assets *(note 14)*	**37,159**	684,713
Lease payments not included in the measurement of lease liabilities *(note 14)*	**805,822**	872,733
Auditor's remuneration		
— Audit service	**120,069**	119,674
Loss on disposal of a subsidiary *(note 28(d))*	**–**	14,673
Written-off of intangible assets *(note 15)*	**–**	8,643
Gain on disposal of property, plant and equipment	**(111,346)**	(66,929)
Exchange losses, net	**112,344**	13,551
(Reversal)/allowances of ECLs	**(251,130)**	289,496
Impairment of right-of-use assets	**–**	1,379,986
Impairment of property, plant and equipment	**(427,798)**	–

8. DIRECTORS' EMOLUMENTS

Certain Directors received remuneration from the subsidiaries of the Group, for their appointment as Directors of these subsidiaries. The aggregated remuneration received or receivable by each of the executive Directors of the Company is set out below:

	Fees $	Salaries and allowance $	CPF contributions $	Total $
Year ended 31 December 2023				
Chua Kang Lim	**120,000**	**522,000**	**10,755**	**652,755**
Fung Mee Kuen	**20,582**	**–**	**–**	**20,582**
	140,582	**522,000**	**10,755**	**673,337**
Year ended 31 December 2022				
Chua Kang Lim	120,000	501,333	30,007	651,340
Chua Sui Feng (resigned on 26 October 2022)	–	109,667	23,373	133,040
Fung Mee Kuen	21,124	–	–	21,124
	141,124	611,000	53,380	805,504

The fees paid or payable to independent non-executive Directors of the Company during the year were as follows:

		2023 **$**	2022 $
Wong Shuk Yee Camilla	(appointed on 26 January 2022)	**12,349**	11,823
Grace Choong Mai Foong	(resigned on 26 January 2022)	**–**	1,670
Cheung Wai Kin		**20,582**	21,125
Lo Suet Lai	(resigned on 1 July 2023)	**10,291**	21,125
Wong Ching Wan	(appointed on 1 July 2023)	**5,146**	–
		48,368	55,743

There were no other emoluments paid or payable to the independent non-executive directors during the year (2022: Nil).

There was no arrangement under which a director of the Company waived or agreed to waive any remuneration during the year (2022: Nil).

During the year and in the prior year, no emoluments were paid by the Group to the Directors of the Company as an inducement to join or upon joining the Group or as compensation for loss of office (2022: Nil).

9. FIVE HIGHEST PAID EMPLOYEES

The five highest paid employees during the year included one Director (2022: two Directors), details of whose remuneration are set out in note 8 above. Details of the remuneration for the remaining four (2022: three) highest paid employees who are neither a director nor chief executive of the Group are as follows:

	2023 $	2022 $
Salaries and bonuses	**312,684**	383,170
CPF contributions	**56,737**	45,034
Total	**369,421**	428,204

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

	2023	2022
Nil to HK$1,000,000	**4**	3

During the 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 (2022: Nil).

10. INCOME TAX EXPENSE/(CREDIT)

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 for the years ended 31 December 2023 and 2022.

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.

The applicable tax rates for a qualified group company incorporated in Hong Kong is 8.25% on the first HK$2,000,000 of assessable profit and 16.5% on the remaining. The applicable tax rate for those non-qualified group companies incorporated in Hong Kong is 16.5%.

No Hong Kong profits tax has been provided since no assessable profit arose in Hong Kong during the year (2022: Nil).

10. INCOME TAX EXPENSE/(CREDIT) (continued)

The Singapore statutory income tax rate has been provided at the rate of 17% (2022: 17%) for the year. No income tax of the Group's Singapore subsidiaries had been provided as they incurred loss for taxation purpose (2022: Nil). Major components of income tax credit for the years ended 31 December 2023 and 2022 are:

	2023 $	2022 $
Deferred tax *(note 16)*	**8,649**	(383,440)

A reconciliation of the income tax expense/(credit) applicable to loss before tax at the statutory rate for the jurisdiction in which the Company's subsidiaries are domiciled to the income tax credit at the Group's effective tax rate is as follows:

	2023 $	2022 $
Loss before tax	**(5,105,708)**	(9,047,901)
Notional tax on loss before taxation calculated at applicable tax rates	**(852,226)**	(1,538,143)
Tax effect of expenses that are not deductible	**179,512**	763,588
Tax effect of income that is not taxable	**(58,858)**	(6,486)
Tax effect of temporary difference not recognised	**154,306**	(35,382)
Tax effect of tax losses not recognised	**585,915**	432,983
Income tax expense/(credit)	**8,649**	(383,440)

11. DIVIDENDS

The Directors do not recommend the payment of any dividend in respect of the year (2022: Nil).

12. LOSS PER SHARE

	2023	2022
	$	*$*
Loss attributable to the owners of the Company	**(5,066,755)**	(8,664,461)
Issued ordinary shares at the beginning of year	**834,176,000**	780,800,000
Effect of exercise of share options	**–**	43,734,970
Effect of Share Consolidation *(note 25)*	**(792,467,200)**	(783,308,221)
Effect of Rights Issue *(note 25)*	**107,333,744**	2,562,114
Weighted average number of ordinary shares for the purpose of calculating basic and diluted loss per share	**149,042,544**	43,788,862

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

For the purpose of calculation of basic and diluted loss per share for the years ended 31 December 2023 and 2022, the share consolidation being effective on 4 January 2023 (note 25) was deemed to be effective throughout the period from 1 January 2022 to 31 December 2023.

The weighted average number of ordinary shares for the purpose of calculating basic loss per share for the years ended 31 December 2023 and 2022 has been adjusted/restated to reflect the effect of bonus element in rights issue on 23 February 2023.

For the purpose of calculation of diluted loss per share, no adjustment has been made to the weighted average number basic loss per share as the Company's outstanding share options have no dilutive effect for the years ended 31 December 2023 and 2022.

13. PROPERTY, PLANT AND EQUIPMENT

	Motor vehicles $	Furniture and fittings $	Office equipment $	Computers $	Properties $	Leasehold improvements $	Total $
Cost							
At 1 January 2022	24,968,232	1,971	590	157,484	1,469,985	50,719	26,648,981
Additions	1,026,464	–	–	–	–	–	1,026,464
Disposals	(441,672)	–	–	–	–	–	(441,672)
Disposal of a subsidiary *(note 28 (d))*	(827,773)	(1,971)	(590)	(58,788)	–	–	(889,122)
Written-off	(98,982)	–	–	–	–	–	(98,982)
At 31 December 2022 and 1 January 2023	24,626,269	–	–	98,696	1,469,985	50,719	26,245,669
Additions	2,105,841	–	–	–	–	939,356	3,045,197
Disposals	(1,886,409)	–	–	–	–	–	(1,886,409)
Transfer from right-of-use assets	470,000	–	–	–	–	–	470,000
Exchange alignment	(42,773)	–	–	–	–	(14,081)	(56,854)
At 31 December 2023	25,272,928	–	–	98,696	1,469,985	975,994	27,817,603
Accumulated depreciation and impairment							
At 1 January 2022	16,704,968	1,971	590	157,484	344,274	50,719	17,260,006
Charge for the year	1,938,871	–	–	–	59,236	–	1,998,107
Disposals	(357,138)	–	–	–	–	–	(357,138)
Disposal of a subsidiary *(note 28 (d))*	(454,827)	(1,971)	(590)	(58,788)	–	–	(516,176)
Written-off	(98,982)	–	–	–	–	–	(98,982)
At 31 December 2022 and 1 January 2023	17,732,892	–	–	98,696	403,510	50,719	18,285,817
Charge for the year	2,034,745	–	–	–	59,211	511,558	2,605,514
Disposals	(1,462,755)	–	–	–	–	–	(1,462,755)
Transfer from right-of-use assets	144,917	–	–	–	–	–	144,917
Impairment	–	–	–	–	–	427,798	427,798
Exchange alignment	(5,260)	–	–	–	–	(14,081)	(19,341)
At 31 December 2023	18,444,539	–	–	98,696	462,721	975,994	19,981,950
Net book value							
At 31 December 2023	6,828,389	–	–	–	1,007,264	–	7,835,653
At 31 December 2022	6,893,377	–	–	–	1,066,475	–	7,959,852

During the year ended 31 December 2023, the Group transferred costs of $470,000 (2022: Nil) and accumulated depreciation of $144,917 (2022: Nil) from right-of-use assets to property, plant and equipment at the end of the lease term (note 14).

13. PROPERTY, PLANT AND EQUIPMENT (continued)

Assets pledged as securities

The Group's properties with an aggregate carrying amount of $1,007,264 (2022: $533,555) were mortgaged to secure the Group's bank borrowings as at 31 December 2023 (note 24(i)).

Impairment assessment

At the end of each reporting period, management of the Group test for impairment of its property, plant and equipment because the Group's business was making loss.

Management estimated the fair value less cost of disposal of the motor vehicles and properties using a direct comparison approach. The fair value measurement was categorised under Level 3 of the fair value hierarchy. The valuation of motor vehicles and properties assumes that the owner sells the motor vehicle and properties in its existing state without the inclusion of deferred term contracts, leasebacks, joint ventures, management agreements or any similar arrangements which that could affect the value of the motor vehicles and properties. Furthermore, no account has been given to any options or rights of pre-emption that may impact the sale of motor vehicles, and no allowance has been made for the motor vehicles to be sold as one lot or to a single purchaser. Other key assumptions include the transaction prices of recent transactions of similar motor vehicles and properties with similar conditions or similar locations. The fair value less cost of disposal exceeded the carrying amount of motor vehicle and properties, and therefore, no impairment was recognised for these assets.

The impairment of the remaining property, plant and equipment, namely, leasehold improvement, was assessed based on value in use. During this process, the management identified Hong Kong and Singapore business, which have continued to underperform, as two separate cash generating units ("CGUs"). Management determined the recoverable amounts of these CGUs using the income approach which relies on the management's cash flow projections.

The value in use calculation using discounted cash flow ("DCF") methods is based on the financial budgets approved by the management and valued by an independent professional valuer covering a five-year with pre-tax discount rate. Cash flows beyond five year period have been extrapolated using estimated growth rate does not exceed the average growth rate for the relevant markets. Set out below the key assumptions adopted in the DCF:

	2023	2022
Gross profit margin (% of revenue)	**5-5.2%**	5%
Growth rate	**1.5-2.5%**	1.5%
Discount rate	**10.5-11.4%**	11.7%

The above key assumptions were used in the value in use calculation of the Group's Hong Kong CGU and Singapore CGU. The following describes each key assumption on which management has based its cash flow projections to undertake impairment testing:

Gross profit margin — The basis used to determine the value assigned to the budgeted gross profit margin is the average gross profit margin expected to achieve since the year when trucking and hubbing activities are provided.

Growth rate — The growth rate does not exceed the average growth rate for the industry and the country in which the Group's operates.

13. PROPERTY, PLANT AND EQUIPMENT (continued)

Impairment assessment (continued)

Discount rate — The discount rate used is pre-tax and reflects specific risks relating to the Group's operations.

According to the impairment assessment, the value in use of leasehold improvement allocated to the HongKong CGU and Singapore CGU is insignificant. Therefore, full impairment of leasehold improvement amounting to S$427,798 (2022: Nil) has been recognised for the year ended 31 December 2023.

Management believes that any reasonable possible change in any of these assumptions would not cause the carrying amount to cash generating unit to exceed its recoverable amount.

14. LEASES

The Group as a lessee

The Group has lease contracts for various items of motor vehicles and yard used in its operations. Leases for yard generally have lease terms of 3 years (2022: 3 years), while motor vehicles generally have lease terms of 3 years (2022: 3 years). Other equipment generally has lease terms of 12 months or less and/or is individually of low value. The Group is restricted from assigning and subleasing the leased assets outside the Group.

(a) Right-of-use assets

The carrying amounts of the Group's right-of-use assets and the movements during the year are as follows:

	Yard	Motor vehicles	Total
	$	*$*	*$*
At 1 January 2022	304,613	395,584	700,197
Additions	1,713,086	–	1,713,086
Depreciation charge	(637,713)	(47,000)	(684,713)
Impairment losses	(1,379,986)	–	(1,379,986)
At 31 December 2022 and 1 January 2023	–	348,584	348,584
Additions	–	517,362	517,362
Depreciation charge	–	(37,159)	(37,159)
Reclassification to property, plant and equipment	–	(325,083)	(325,083)
At 31 December 2023	–	503,704	503,704

Impairment assessment

At the end of each reporting period, management of the Group test for impairment of its right-of-use assets employed in trucking and hubbing segments in Singapore owing to sustained operating loss during the years ended 31 December 2023 and 2022.

Details of the impairment assessment are set out in Note 13 to the consolidated financial statements.

14. LEASES (continued)

The Group as a lessee (continued)

(a) Right-of-use assets (continued)

Impairment assessment (continued)

Based on the above assessment, the management of the Group have assessed the recoverable amount of the Group's right-of-use assets amounting to $503,704 (2022: $348,584) as at 31 December 2022 and impairment loss of $Nil (2022: $1,379,986) had been recognised in the Group's consolidated profit or loss during the year ended 31 December 2023 on the basis of material decline in the recoverable amount and the expectation of challenging market environment.

(b) Lease liabilities

The carrying amount of lease liabilities and the movements during the year are as follows:

	Minimum lease payments		**Present value of minimum lease payments**	
	2023	2022	**2023**	2022
	S$	*S$*	**S$**	*S$*
Within one year	**768,816**	674,074	**731,838**	636,588
More than one year, but not exceeding two years	**465,592**	600,000	**451,483**	581,706
More than two years, but not more than five years	**86,084**	250,000	**84,292**	247,988
	1,320,492	1,524,074	**1,267,613**	1,466,282
Less: Future finance charges	**(52,879)**	(57,792)	**N/A**	N/A
Present value of lease obligations	**1,267,613**	1,466,282		
Less: Amount due for settlement within 12 months (shown under current liabilities)			**(731,838)**	(636,588)
Amount due for settlement after 12 months			**535,775**	829,694

The incremental borrowing rates applied to lease liabilities range from 4.91% to 5.13% (2022: from 3.24% to 3.26%).

All lease payables are denominated in Singapore dollars.

The maturity analysis of lease liabilities is disclosed in note 32 to the consolidated financial statements.

14. LEASES (continued)

The Group as a lessee (continued)

(c) The amounts recognised in profit or loss in relation to leases are as follows:

	2023	2022
	$	$
Interest on lease liabilities *(note 6)*	**42,249**	40,189
Depreciation of right-of-use assets	**37,159**	684,713
Expense relating to short-term leases (included in cost of sales)	**805,822**	872,733
Impairment loss of right-of-use assets	**–**	1,379,986

(d) The total cash outflow for leases is disclosed in note 28(c) to the consolidated financial statements.

15. INTANGIBLE ASSETS

	Computer software
	$
Cost	
At January 2022	398,450
Written-off during the year	(25,920)
At 31 December 2022, 1 January 2023 and 31 December 2023	372,530
Accumulated amortisation	
At 1 January 2022	185,940
Amortisation for the year	79,690
Written-off during the year	(17,277)
At 31 December 2022 and 1 January 2023	248,353
Amortisation for the year	74,505
At 31 December 2023	322,858
Net book value	
At 31 December 2023	49,672
At 31 December 2022	124,177

Computer software is amortised using the straight-line method over its estimated useful life of 5 years.

16. 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:

	Excess of net book values of plant and equipment and right-of-use assets over tax values $
At 1 January 2022	274,402
Credited to profit or loss during the year *(note 10)*	(270,803)
At 31 December 2022 and 1 January 2023	3,599
Credited to profit or loss during the year *(note 10)*	(3,599)
At 31 December 2023	–

Deferred tax assets arising from:

	Provision $	Tax benefit available for offsetting against future taxable profits $	Total $
At 1 January 2022	7,163	212,955	220,118
Credited to profit or loss during the year *(note 10)*	–	112,637	112,637
Disposal of a subsidiary	(1,683)	(318,824)	(320,507)
At 31 December 2022 and 1 January 2023	5,480	6,768	12,248
Charged to profit or loss during the year *(note 10)*	(5,480)	(6,768)	(12,248)
At 31 December 2023	–	–	–

Deferred tax assets are recognised for tax losses and capital allowances carried forward to the extent that realisation of the related tax benefits through future taxable profits is probable. The Group has unrecognised tax losses of $6,051,161 (2022: $2,524,670) at the reporting date which can be carried forward and used to offset against future taxable income subject to meeting certain statutory requirements. The tax losses and capital allowances have no expiry date.

16. 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:

	2023	2022
	$	*$*
Net deferred tax assets recognised in the consolidated statement of financial position	**–**	12,248
Net deferred tax liabilities recognised in the consolidated statement of financial position	**–**	(3,599)
	–	8,649

17. DEPOSITS AND OTHER RECEIVABLES

	2023	2022
	$	*$*
Non-current:		
Rental deposits	**–**	116,748
Deposits paid for acquisition of property, plant and equipment	**–**	1,738,798
	–	1,855,546
Current:		
Other receivables	**538,706**	514,310
Deposits *(Note)*	**–**	772,599
	538,706	1,286,909
Less: Allowance for ECLs	**(4,865)**	(241,903)
	533,841	1,045,006
	533,841	2,900,552

The financial assets included in the above balances relate to receivables for which there was no recent history of default and past due amounts. As at 31 December 2023 and 2022, the balance of other receivables is unsecured, interest-free and repayable on demand.

17. DEPOSITS AND OTHER RECEIVABLES (continued)

For deposits and other receivables, the directors of the Company make periodic collective assessments as well as individual assessments on the recoverability of deposits and other receivables. The Group has assessed that the ECL of deposits and other receivables was $4,865 (2022: $241,903) as at 31 December 2023 under 12m ECL model. Details of the Group's ECL assessment on deposits and other receivables are set out in note 32 to the consolidated financial statements.

18. TRADE RECEIVABLES

	2023	2022
	$	$
External parties	**6,254,180**	4,029,426
Less: Allowance for ECLs	**(32,750)**	(47,593)
	6,221,430	3,981,833

Trade receivables are all non-interest-bearing and are generally repayable on terms of 30 to 90 days (2022: 30 to 60 days).

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

	2023	2022
	$	$
Less than 30 days	**4,584,082**	2,301,292
31 to 60 days	**1,285,607**	1,449,611
61 to 90 days	**348,715**	197,500
More than 90 days	**3,026**	33,430
Total	**6,221,430**	3,981,833

An impairment analysis is performed at each reporting date using a provision matrix to measure ECL. The provision rates are based on days past due for groupings of various customer segments with similar loss patterns. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. Generally, trade receivables are written off if past due for more than one year and are not subject to enforcement activity. Details of the Group's ECL assessment on trade receivables are set in note 32 to the consolidated financial statements.

Trade receivables denominated in HK$ amounted to $2,695,107 (2022: Nil) as at 31 December 2023.

19. CONTRACT ASSETS

	2023	2022
	$	*$*
Contract assets arising from:		
Trucking services	**–**	41,616

Contract assets primarily relate to the Group's right to consideration for work completed but not yet billed at reporting date for providing trucking services. Contract assets are transferred to receivables when the rights become unconditional (i.e invoiced). The expected timing of recovery or settlement for contract assets as at 31 December 2022 is within one year. An impairment analysis is performed at each reporting date using a provision matrix to measure ECL. As at 31 December 2022, the loss allowance was assessed to be minimal. Details of the Group's ECL assessment are set of in note 32 to the consolidated financial statements.

The decrease (2022: increase) in contract assets was because certain orders completed during the year.

20. CASH AND BANK BALANCES AND PLEDGED DEPOSITS

	2023	2022
	$	*$*
Cash and bank balances	**1,664,561**	2,252,650
Pledged time deposits	**524,252**	511,859
	2,188,813	2,764,509
Less: Pledged time deposits bank loans *(note 24(ii))*	**(524,252)**	(511,859)
Cash and bank balances	**1,664,561**	2,252,650

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 $843,944 (2022: $747,201) as at 31 December 2023.

21. TRADE PAYABLES

Trade payables are non-interest-bearing and are normally settled on terms of 30 days (2022: 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:

	2023 $	2022 $
Less than 30 days	739,112	1,012,553
31 to 60 days	141,808	235,216
61 to 90 days	44,995	3,379
More than 90 days	36,321	–
	962,236	1,251,148

22. CONTRACT LIABILITIES

	2023 $	2022 $
Short-term advances received from customers		
Trucking services	77,824	–

Contract liabilities primarily relate to the Group's obligation to transfer goods or services to customers for which the Group has received short-term advances from customers for sales of goods and services.

Movements in contract liabilities:

	2023 $	2022 $
At 1 January	–	–
Increase in contract liabilities as a result of short-term advances received from customers	77,824	–
At 31 December	77,824	–

The increase in the contract liabilities is mainly due to the increase of the advance payment for trucking services.

The amount of advances received is expected to be recognised as revenue within one year.

23. OTHER PAYABLES AND ACCRUALS

	2023 $	2022 $
Accrued liabilities	**702,546**	878,963
GST payable	**132,939**	64,968
Other payables	**21,389**	41,046
	856,874	984,977

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

Other payables and accruals denominated in HK$ amounted to $16,945 (2022: Nil) as at 31 December 2023.

24. BANK BORROWINGS

	2023 $	2022 $
Secured bank loans:		
On demand or within one year	**300,000**	847,288

Notes:

For the year ended 31 December 2023, the effective interest rates of the Group's bank loans at 4.38% (2022: 2%) per annum.

The Group's secured bank loans are secured by:

(i) mortgages over the Group's properties situated in Singapore, which had an aggregate carrying amount of $1,007,264 (2022: $533,555) as at 31 December 2023;

(ii) pledged time deposits with carrying amounts of $524,252 (2022: $511,859) as at 31 December 2023; and

(iii) joint and several personal guarantees provided by the Directors of the Company's subsidiary.

25. SHARE CAPITAL

The movements in the Company's authorised and issued share capital during the years ended 31 December 2023 and 2022 are as follows:

	Number of ordinary shares At HK$0.01 per share	Number of ordinary shares At HK$0.2 per share	Nominal value of ordinary shares HK$	Share capital (equivalent to $)
Ordinary shares				
Authorised:				
At 1 January 2022, 31 December 2022 and 1 January 2023	5,000,000,000	–	50,000,000	
Share Consolidation *(note iii)*	(5,000,000,000)	250,000,000	–	
At 31 December 2023	–	250,000,000	50,000,000	
Issued and fully paid				
At 1 January 2022	780,800,000	–	7,808,000	1,350,206
Issue of shares upon exercise of share options *(note (i))*	39,040,000	–	390,400	67,497
Issue of shares upon exercise of share options *(note (ii))*	14,336,000	–	143,360	24,973
At 31 December 2022 and 1 January 2023	834,176,000	–	8,341,760	1,442,676
Share Consolidation *(note (iii))*	(834,176,000)	41,708,800	–	–
Issue of shares upon Rights Issue *(note (iv))*	–	125,126,400	25,025,280	4,283,317
At 31 December 2023	–	166,835,200	33,367,040	5,725,993

Notes:

(i) The subscription rights attaching to 39,040,000 share options were exercised at the exercise price of HK$0.1056 per share (note 27), resulting in the issue of 39,040,000 shares for a total cash consideration, before expenses, of approximately HK$4,122,624 (equivalent to $712,763). An amount of approximately $331,157 was transferred from the option reserve to share premium upon the exercise of the share options.

(ii) The subscription rights attaching to 14,336,000 share options were exercised at the exercise price of HK$0.0640 per share (note 27), resulting in the issue of 14,336,000 shares for a total cash consideration, before expenses, of approximately HK$917,504 (equivalent to $159,830). An amount of approximately $80,281 was transferred from the option reserve to share premium upon the exercise of the share options.

(iii) On 30 December 2022, an ordinary resolution was passed at the extraordinary general meeting of the Company that every twenty issued and unissued existing shares of a par value of HK$0.01 each in the share capital of the Company be consolidated into one consolidated share of a par value of HK$0.2 each in the share capital of the Company (the "Share Consolidation"). The Share Consolidation became effective on 4 January 2023.

For details, please refer to the circular of the Company dated 9 December 2022, the announcements of the Company dated 21 October 2022 and 1 December 2022.

(iv) On 23 February 2023, the Company allotted and issued 55,193,873 new shares on the basis of three rights share for every one share held by qualifying shareholders at the subscription price of HK$0.26 per rights share ("Rights Issue") and 69,932,527 new shares for the unsubscribed rights shares at the right issue of HK$0.26 per right issue. The gross proceeds from the Rights Issue was approximately HK$32.5 million (equivalent to $5,568,312).

For details, please refer to the prospectus of the Company dated 17 January 2023, the circular of the Company dated 9 December 2022, the announcements of the Company dated 21 October 2022, 1 December 2022, 13 February 2023 and 22 February 2023.

26. 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 of these consolidated financial statements.

Nature and purpose of reserves

(a) Share premium

Under the Companies Law of the Cayman Islands, the funds in the share premium account of the Company are distributable to the shareholders of the Company provided that immediately following the date on which the dividend is proposed to be distributed, the Company will be in a position to pay off its debts as they fall due in the ordinary course of business.

(b) Option reserve

Option reserve represents the fair value of the actual or estimated number of unexercised share options granted to eligible person of the Group recognised in accordance with the accounting policy adopted for equity- settled share-based payments in note 2.3 to the consolidated financial statements.

(c) Exchange reserve

The exchange reserve comprises all foreign exchange differences arising from the translation of the financial statement of foreign operation. The reserve is dealt with in accordance with the accounting policies set out in note 2.3 to the consolidated financial statements.

27. SHARE-BASED PAYMENTS

Equity-settled share option scheme

Share options were granted to eligible participants under a share option scheme approved and adopted by the shareholders of the Company on 25 September 2017 ("Share Option Scheme") for the purpose of providing incentives and rewards to eligible participants who have contributed or will contribute to the growth and development of the Group.

Particulars of the Share Option Scheme is set out in pages 56 to 59 of this annual report.

27. SHARE-BASED PAYMENTS (continued)

Equity-settled share option scheme (continued)

Pursuant to resolutions of the board of directors passed on 20 January 2022 and 12 April 2022, they resolved to grant an aggregate of 62,464,000 ("2022 options A") and 14,336,000 ("2022 options B") new share options with exercise price of HK$0.1056 and HK$0.064 per share respectively entitling the employees to subscribe for 62,464,000 and 14,336,000 shares of the Company respectively. Details of the Company's share options are set out below:

Name of grantee	Date of grant of the options during the reporting period	At 1 January 2023	Adjustment as a result of share consolidation	Adjustment as a result of rights issues	Lapsed/ cancelled during the year	At 31 December 2023	Vesting period	Exercise period	Exercise price per share option *HK$*
Employees	21 May 2021	51,200,000	(48,640,000)	109,194	–	2,669,194	N/A	21 May 2021 to 20 May 2024	5.4670
	20 Jan 2022	23,424,000	(22,252,800)	49,956	–	1,221,156	N/A	20 Jan 2022 to 19 Jan 2025	2.0260
Total		74,624,000	(70,892,800)	159,150	–	3,890,350			

Name of grantee	Date of grant of the options during the reporting period	At 1 January 2022	Number of share option granted during the year	Number of share option exercised during the year	Lapsed/ cancelled during the year	At 31 December 2022	Vesting period	Exercise period	Exercise price per share option *HK$*
Employees	21 May 2021	51,200,000	–	–	–	51,200,000	N/A	21 May 2021 to 20 May 2024	0.2850
	20 Jan 2022	–	62,464,000	(39,040,000)	–	23,424,000	N/A	20 Jan 2022 to 19 Jan 2025	0.1056
	12 Apr 2022	–	14,336,000	(14,336,000)	–	–	N/A	12 Apr 2022 to 11 Apr 2025	0.0640
Total		51,200,000	76,800,000	(53,376,000)	–	74,624,000			

27. SHARE-BASED PAYMENTS (continued)

Equity-settled share option scheme (continued)

Movements in the number of share options outstanding and their related weighted average exercise price as follows:

	2023		2022	
	Number of options	**Weighted average exercise price** *HK$*	Number of options	Weighted average exercise price *HK$*
Outstanding at the beginning of the year	**74,624,000**	**0.2287**	51,200,000	0.2850
Adjustment due to Share Consolidation during the year	**(70,892,800)**	**4.5737**	–	–
Adjustment due to Right Issue during the year	**159,150**	**4.3869**	–	–
Granted during the year	**–**	**–**	76,800,000	0.0978
Exercised during the year	**–**	**–**	(53,376,000)	0.0978
Outstanding at the end of the year	**3,890,350**	**4.3869**	74,624,000	0.2287
Exercisable at the end of the year	**3,890,350**	**4.3869**	74,624,000	0.2287

As at 31 December 2023, options to subscribe for a total of 3,890,350 (2022: 74,624,000) option shares were still outstanding under the Share Option Scheme which represents approximately 2.33% (2022: 8.95%) of the issued ordinary shares of the Company.

The above options comprising at the end of the year have a weighted average remaining contractual life of 0.6 years (2022: 1.60 years) and the exercise price is HK$4.3869 (2022: HK$0.2287). The estimated fair values of 2022 Share Options are determined using the Binomial Model. The estimated fair values and significant inputs into the models were as follows:

	2022 Option B	2022 Option A
Grantees	Employees	Employees
Option price model	Binomial	Binomial
Estimated fair value at the measurement date	HK$460,861	HK$3,064,647
No. of options granted	14,336,000	62,464,000
Estimated fair value of each option	HK$0.0321	HK$0.0491
Weighted average share price at the measurement date	HK$0.0640	HK$0.1056
Weighted average exercise price	HK$0.0640	HK$0.1056
Exercise multiple	2.2	2.2
Expected volatility	124.59%	122.43%
Expected life	3 years	3 years
Risk free rate	2.374%	1.086%
Expected dividend yield	Nil	Nil

The expected volatilities were determined by using the average of the annualised standard deviation of daily return of share price of three comparable companies' historical volatility quoted by Bloomberg.

27. SHARE-BASED PAYMENTS (continued)

Equity-settled share option scheme (continued)

Peak Vision Appraisals Limited is an independent firm of professional valuer appointed by the Company to carry out the fair value of 2022 Share Options.

The expenses of share-based payment recognised in profit or loss during the reporting period are as follows:

	2023 $	2022 $
2022 option A	–	529,849
2022 option B	–	80,282
	–	610,131

During the year ended 31 December 2023, no share options was exercised. During the year ended 31 December 2022, a total of 39,040,000 and 14,336,000 share options were exercised with share price of HK$0.1056 and HK$0.0640 at the date of exercise respectively, which further detailed in note 26(i) & (ii) to the consolidated financial statements.

During the year ended 31 December 2023, there were Nil (2022: 76,800,000) share options granted and Nil (2022: $610,131) were recognised to the consolidated statement of profit or loss. The number of options available for grant under the scheme mandate of the share option scheme at the beginning and the end of the financial year 2023 were both 4,170,880.

During the years ended 31 December 2023 and 2022, there were no share option lapsed or cancelled.

28. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

(a) Major non-cash transactions

During the year ended 31 December 2023, the Group entered into certain lease arrangements in respect of yard with a total capital value at the inception of the lease of Nil (2022: $1,713,086), of which, they were non-cash additions.

28. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS (continued)

(b) Changes in liabilities arising from financing activities

	Bank borrowings $	Lease liabilities $
At 1 January 2022	1,670,899	526,707
Changes from financing cash flows	(1,051,668)	(813,200)
New leases	–	1,713,086
Interest expense	28,057	40,189
At 31 December 2022 and 1 January 2023	**847,288**	**1,466,282**
Changes from financing cash flows	**(554,900)**	**(758,280)**
New lease	**–**	**517,362**
Interest expense	**7,612**	**42,249**
At 31 December 2023	**300,000**	**1,267,613**

(c) Total cash outflow for leases

The total cash outflow for leases included in the consolidated statement of cash flows is as follows:

	2023 **$**	2022 $
Within operating activities	**805,822**	872,733
Within financing activities	**758,280**	813,200

(d) Disposal of a subsidiary

On 13 July 2022, New Pine Global Limited ("Vendor"), a direct wholly-owned subsidiary of the Company, and Koh Teck Chuan, a Singapore resident ("Purchaser") entered into the sale and purchase agreement, pursuant to which the Vendor agreed to sell the entire issued shares of Nexis Logistics Services Pte Ltd. ("Nexis"), representing 100% share capital of Nexis, to the Purchaser at a consideration of S$750,000, which was satisfied by way of cash ("Disposal"). The transaction of the Disposal was completed on 31 July 2022.

28. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS (continued)

(d) Disposal of a subsidiary (continued)

Net assets of Nexis at the date of disposal were as follows:

	$
Property, plant and equipment	372,946
Deferred tax assets	320,507
Trade receivables	523,286
Bank and cash balances	113,156
Deposits	47,030
Accruals	(95,252)
Trade payables	(423,721)
Other payables	(93,279)
Net assets disposed of	764,673
Loss on disposal of a subsidiary *(note 7)*	(14,673)
Total consideration	750,000
Consideration satisfied by	
Cash	750,000
Net cash inflow arising on the Disposal:	
Cash consideration received	750,000
Cash and cash equivalents disposed of	(113,156)
	636,844

29. SETTLEMENT GUARANTEE

As at 31 December 2023, settlement guarantee of $670,000 (2022: $670,000) was given by the financial institutions and insurance companies on behalf of the Group to certain suppliers. If the Group fails to settle its deposits to the supplier, such supplier may demand the bank to pay to it the sum or sum stipulated in such demand. The Group will become liable to compensate the financial institutions and insurance companies accordingly. The settlement guarantee will be released only if (i) the Group settles all its deposit payment outstanding to the supplier or (ii) submits a request to cancel the settlement guarantee to the financial institutions and insurance companies. The settlement guarantee was granted by the bank and insurance companies under the facility with the Company as the guarantor.

As at 31 December 2023 and 2022, no provision of guarantee was recognised as the amounts of the guarantee are insignificant, management of the Group do not consider it probable that a claim will be made against the Company order the above guarantee.

30. RELATED PARTY TRANSACTIONS

(a) Compensation of key management personnel

	2023	2022
	$	*$*
Remuneration paid to key management personnel (including Directors' emoluments *(note 8)*)		
Salaries and allowances	**975,266**	1,135,294
CPF contributions	**67,492**	98,414
	1,042,758	1,233,708

(b) Directors' material interests in transactions, arrangements and contracts

Save for above, no other significant transaction, arrangement and contract in relation to the Group's business to which the Company was a party and in which a director of the Company and a director's connected party had a material interest, whether directly or indirectly, subsisted at the end of the year of or at any time during the year.

(c) Personal guarantee

As at 31 December 2023 and 2022, certain of the Group's banking borrowings were jointly and severally guaranteed by certain Directors of the Company's subsidiary.

31. 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:

Financial assets

	2023 $	2022 $
At amortised cost		
Pledged deposits	**524,252**	511,859
Cash and bank balances	**1,664,561**	2,252,650
Trade receivables	**6,221,430**	3,981,833
Deposits and other receivables	**533,841**	2,900,552
Total	**8,944,084**	9,646,894

Financial liabilities

	2023 $	2022 $
At amortised cost		
Trade payables	**962,236**	1,251,148
Other payables and accruals	**723,935**	920,009
Bank borrowings	**300,000**	847,288
Total	**1,986,171**	3,018,445

(b) Fair value of financial instruments

As at 31 December 2023 and 2022, the carrying amounts of the Group's financial assets and financial liabilities as reflected in the consolidated statement of financial position approximate their respective fair values.

32. 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 foreign currency risk, interest rate risk, credit risk and liquidity risk. The Board reviews and agrees policies for managing each of these risks and they are summarised below.

Foreign currency risk

The Group has certain exposure to foreign currency risk as most of its business transactions, assets and liabilities are principally denominated in S$ and HK$. The Group currently does not have a foreign currency hedging policy in respect of other foreign currency transactions, assets and liabilities. The Group monitors its foreign currency exposure closely and will consider hedging significant foreign currency exposure should the need arise.

At 31 December 2023, if the S$ had weakened 5 per cent against the HK$ with all other variables held constant, consolidated loss after tax for the year would have decreased by $186,647 (2022: Nil), arising mainly as a result of the foreign exchange gain on net assets in Hong Kong. If the S$ had strengthened 5 per cent against HK$ with all other variables held constant, consolidated loss after tax for the year would have increased by $186,647 (2022: $Nil), arising mainly as a result of the foreign exchange loss on net assets in Hong Kong.

Interest rate risk

The Group's cash flow interest rate risk primarily relates to variable-rate bank loans. It is the Group's policy to keep its borrowing at floating rate of interest so as to minimise the fair value 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 bank balances, pledged deposits, bank borrowings and lease liabilities.

Sensitivity analysis for interest rate risk

As at the end of the reporting period, if interest rates had been 100 basis points lower for the Group's floating rate debts with all other variables held constant, the Group's loss before tax for the years ended 31 December 2023 and 2022 would have been $375 (2022: $600) higher. If interest rates had been 100 basis points higher, with all other variables held constant, consolidated loss after tax for the year would have been $375 (2022: $600) lower. 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.

32. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Credit risk

The Group trades only with recognised and creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis and the Group's exposure to bad debts is not significant.

Individual credit evaluations are performed on all customers requiring credit over a certain amount. These evaluations focus on the customer's past history of making payments when due and current ability to pay and take into account information specific to the customer as well as pertaining to the economic environment in which the customer operates. Trade receivables are due within 30 to 90 days (2022: 30 days to 60 days) from the date of billing. Normally, the Group does not obtain collateral from customers.

Maximum exposure and year-end staging

The tables below show the credit quality and the maximum exposure to credit risk based on the Group's credit policy, which is mainly based on past due information unless other information is available without undue cost or effort, and year-end staging classification as at 31 December.

As at 31 December 2023

	12-month ECLs	Lifetime ECLs			
	Stage 1 $	Stage 2 $	Stage 3 $	Simplified approach $	Total $
31 December 2023					
Trade receivables*	–	–	–	6,254,180	6,254,180
Financial assets included in deposits and other receivables					
— Normal**	538,706	–	–	–	538,706
Pledged deposits					
— Not yet past due	524,252	–	–	–	524,252
Cash and cash equivalents					
— Not yet past due	1,664,561	–	–	–	1,664,561
Total	2,727,519	–	–	6,254,180	8,981,699

32. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Credit risk (continued)

Maximum exposure and year-end staging (continued)

As at 31 December 2022

	12-month ECLs	Lifetime ECLs			
	Stage 1	Stage 2	Stage 3	Simplified approach	Total
	$	*$*	*$*	*$*	*$*
31 December 2022					
Trade receivables*	–	–	–	4,029,426	4,029,426
Contract assets*	–	–	–	41,616	41,616
Financial assets included in deposits and other receivables					
— Normal**	3,142,455	–	–	–	3,142,455
Pledged deposits					
— Not yet past due	511,859	–	–	–	511,859
Cash and cash equivalents					
— Not yet past due	2,252,650	–	–	–	2,252,650
Total	5,906,964	–	–	4,071,042	9,978,006

* For trade receivables and contract assets which the Group applies the simplified approach for impairment, the information based on the provision matrix is disclosed below.

** The credit quality of the financial assets included in deposits and other receivables is considered to be "normal" when they are not past due and there is no information indicating that the financial assets had a significant increase in credit risk since initial recognition. Otherwise, the credit quality of the financial assets is considered to be "doubtful".

32. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Credit risk (continued)

Maximum exposure and year-end staging (continued)

Trade receivable and contract assets

Contract asset

The Group measures loss allowances for trade receivables at an amount equal to lifetime ECL. As the Group's historical credit loss experience does not indicate significantly different loss patterns for different customer segments, the loss allowance based on days past due for groupings of various customer segments with similar loss patterns.

The following table provides information about the Group's exposure to credit risk and ECL for trade receivables:

		2023	
	Expected loss rate	**Gross carrying amount**	**Loss allowance**
	%	***$***	***$***
Current (not past due)	**0.51**	**5,405,196**	**27,502**
1–30 days past due	**0.24**	**813,081**	**1,969**
31–60 days past due	**0.03**	**22,373**	**6**
61–90 days past due	**0.04**	**10,243**	**4**
More than 90 days past due	**99.45**	**3,287**	**3,269**
		6,254,180	**32,750**

		2022	
	Expected loss rate	Gross carrying amount	Loss allowance
	%	*$*	*$*
Current (not past due)	1.14	3,227,967	36,967
1–30 days past due	1.15	749,247	8,604
31–60 days past due	2.51	15,265	383
61–90 days past due	2.51	13,545	340
More than 90 days past due	5.55	23,402	1,299
		4,029,426	47,593

Expected loss rates are based on actual loss experience. The above expected loss rates are adjusted to reflect differences between economic conditions during the period over which the historic data has been collected, current conditions and the Group's view of economic conditions over the expected lives of the trade receivables.

32. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Credit risk (continued)

Maximum exposure and year-end staging (continued)

Trade receivable and contract assets (continued)

Contract asset (continued)

The movements in the loss allowance for impairment of trade receivables are as follows:

	2023 $	2022 $
At 1 January	47,593	–
Impairment losses (reversed)/recognised for the year	(14,399)	47,593
Exchange alignment	(444)	–
At 31 December	32,750	47,593

Deposits and other receivables

The following table provides information about the Group's exposure to credit risk and ECLs for deposits and other receivables:

	2023		
	Expected loss rate %	Gross carrying amount $	Loss allowance $
Current (not past due)	0.96	538,706	5,172

	2022		
	Expected loss rate %	Gross carrying amount $	Loss allowance $
Current (not past due)	7.7	3,142,455	241,903

For deposits and other receivables, the Group recognizes lifetime ECL when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on deposits and other receivables has not increased significantly since initial recognition, the Group measures the loss allowance for deposits and other receivables at an amount equal to 12-month ECL.

32. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Credit risk (continued)

Maximum exposure and year-end staging (continued)

Deposits and other receivables (continued)

The movements in the loss allowance for impairment of deposits and other receivables are as follows:

	2023 $	2022 $
At 1 January	241,903	–
Impairment loss recognised for the year	(236,731)	241,903
Exchange alignment	(307)	–
At 31 December	4,865	241,903

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 2023, approximately 43% (2022: 81%) of the Group's trade receivables were due from the top three customers. In order to minimise the credit risk, the management of the Group has delegated a team responsible for determination of credit limit and credit approvals.

Bank balances and pledged deposits

The Group mainly transacts with banks with high credit ratings. The credit risk for bank balances and pledged deposits as at 31 December 2023 and 2022 is considered as not material as such amounts are placed in reputable banks with high credit ratings assigned by international credit-rating agencies.

The Group assessed 12-month ECL on these balances by reference to probability of default and recovery rate by credit rating grades published by international credit-rating agencies and concluded that the ECL are insignificant as at 31 December 2023 and 2022 and thus no impairment loss was recognised.

32. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

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 and financing 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 2023				
	On demand or 1 year	**1 to 2 years**	**2 to 5 years**	**Over 5 years**	**Total**
	$	***$***	***$***	***$***	***$***
Trade payable	**962,236**	**–**	**–**	**–**	**962,236**
Other payables and accruals	**723,935**	**–**	**–**	**–**	**723,935**
Lease liabilities	**768,816**	**465,592**	**86,084**	**–**	**1,320,492**
Bank borrowings *(note)*	**300,000**	**–**	**–**	**–**	**300,000**
	2,754,987	**465,592**	**86,084**	**–**	**3,306,663**

	31 December 2022				
	On demand or 1 year	1 to 2 years	2 to 5 years	Over 5 years	Total
	$	*$*	*$*	*$*	*$*
Trade payable	1,251,148	–	–	–	1,251,148
Other payables and accruals	920,009	–	–	–	920,009
Lease liabilities	674,074	600,000	250,000	–	1,524,074
Bank borrowings *(note)*	847,288	–	–	–	847,288
	3,692,519	600,000	250,000	–	4,542,519

note: Bank borrowings with a repayment on demand clause are included in the 'on demand or less than 1 year' time band in the above maturity analysis. As at 31 December 2023 and 31 December 2022, the aggregate undiscounted principal amounts of these bank borrowings amounted to $300,000 and $847,288 respectively. Taking into account the Group's financial position, the directors do not believe that it is probable that the banks will exercise their discretionary rights to demand immediate repayment. The directors believe that such bank loans will be repaid two years after the end of the reporting period in accordance with the scheduled repayment dates set out in the loan agreements. As at December 2023 and 2022, the aggregate principal and interest cash outflows will amount to $307,612 and $875,345.

32. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

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, the issue of new debts, redemption of existing debts or selling assets to reduce debts. No changes were made in the objectives, policies or processes for managing capital during the years ended 31 December 2023 and 2022.

The externally imposed capital requirements for the Group is to maintain its listing on the Stock Exchange it has to have a public float of at least 25% (2022: 25%) of the shares.

The Group receives a report from the share registrars showing the non-public float and it demonstrates continuing compliance with the 25% limit throughout the both years.

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

	2023	2022
	$	*$*
Bank borrowings	**300,000**	847,288
Lease liabilities	**1,267,613**	1,466,282
	1,567,613	2,313,570
Total equity	**14,123,158**	13,727,226
Gearing ratio	**11.1%**	16.9%

Breaches in meeting the financial covenants would permit the bank to immediately call borrowings. There have been no breaches in the financial covenants of any interest-bearing borrowings for the years ended 31 December 2023 and 2022.

33. EVENTS AFTER THE REPORTING PERIOD

As of the approval date on these consolidated financial statement, the Group had no significant events after the reporting period which need to be disclosed.

34. 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:

	2023 $	2022 $
Non-current asset		
Investment in subsidiaries	–	8,534,986
Total non-current asset	–	8,534,986
Current assets		
Deposits and other receivables	–	4,515,720
Prepayments	–	53,697
Amount due from a subsidiary	3,477,603	–
Amount due from a fellow subsidiary	2,694,355	–
Bank balances	403,569	–
Total current assets	6,575,527	4,569,417
Current liabilities		
Other payables and accruals	238,511	267,335
Net current assets	6,337,016	4,302,082
Net assets	6,337,016	12,837,068
Equity		
Share capital	5,725,993	1,442,676
Reserves	611,023	11,394,392
Total equity	6,337,016	12,837,068

Approved and authorised for issued by the Board of Directors on 28 March 2024.

Chua Kang Lim
Director

Fung Mee Kuen
Director

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

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

Company	Share premium $	Option reserve $	Accumulated losses $	Total $
At 1 January 2022	23,041,857	1,174,452	(7,732,975)	16,483,334
Share options issued	1,191,561	610,131	–	1,801,692
Issue of shares upon exercise of share options	–	(411,438)	–	(411,438)
Loss and total comprehensive loss for the year	–	–	(6,479,196)	(6,479,196)
At 31 December 2022 and 1 January 2023	24,233,418	1,373,145	(14,212,171)	11,394,392
Issue of shares upon rights issue	1,284,995	–	–	1,284,995
Transaction cost on issuance of shares upon right issue	(105,625)	–	–	(105,625)
Loss and total comprehensive loss for the year	–	–	(11,962,739)	(11,962,739)
At 31 December 2023	25,412,788	1,373,145	(26,174,910)	611,023

35. COMMITMENTS

Capital commitments contracted for at the end of the reporting period but not yet incurred are as follows:

	2023 **$**	2022 $
Purchase of property, plant and equipment	**575,000**	1,567,109

36. LEASE COMMITMENTS

At the end of the reporting period, the Group had the following total future minimum lease payments payable under non-cancellable short-term operating leases.

2023 **$**	2022 $
–	700,489

37. APPROVAL OF THE CONSOLIDATED FINANCIAL STATEMENTS

These consolidated financial statements were approved and authorised for issue by the Board of Directors on 28 March 2024.

Five Year Financial Summary

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

	Year ended 31 December				
	2019	2020	2021	2022	**2023**
	S$	*S$*	*S$*	*S$*	***S$***
RESULTS					
Revenue	28,749,270	26,263,891	26,219,156	26,244,251	**23,463,313**
Loss before tax	(1,041,459)	(1,001,405)	(4,003,270)	(9,047,901)	**(5,105,708)**
Income tax credit/(expense)	61,304	189,995	398,335	383,440	**(8,649)**
Loss for the year	(980,155)	(811,410)	(3,604,935)	(8,664,461)	**(5,114,357)**

	31 December 2019	31 December 2020	31 December 2021	31 December 2022	**31 December 2023**
	S$	*S$*	*S$*	*S$*	***S$***
ASSETS AND LIABILITIES					
TOTAL ASSETS	25,999,235	28,783,966	25,758,706	18,276,921	**17,587,705**
TOTAL LIABILITIES	(5,360,777)	(8,956,918)	(4,849,743)	(4,549,695)	**(3,464,547)**
	20,638,458	19,827,048	20,908,963	13,727,226	**14,123,158**