C&N Holdings Limited
春能控股有限公司*

Incorporated in the Cayman Islands with limited liability

Stock Code: 8430

ANNUAL REPORT 2022

* For identification purpose only

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

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

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

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. Chua Sui Feng (resigned on 26 October 2022)
Ms. Fung Mee Kuen

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Cheung Wai Kin
Ms. Lo Suet Lai
Ms. Wong Shuk Yee Camilla (appointed on 26 January 2022)
Ms. Grace Choong Mai Foong (resigned on 26 January 2022)

COMPANY SECRETARY

Mr. Lai Nga Ming Edmund

AUTHORISED REPRESENTATIVES

(for the purposes of the GEM Listing Rules)
Mr. Chua Kang Lim
Mr. Lai Nga Ming Edmund

AUTHORISED REPRESENTATIVES

(for the purposes of the Companies Ordinance)
Mr. Lai Nga Ming Edmund

AUDIT COMMITTEE

Mr. Cheung Wai Kin *(Chairman)*
Ms. Lo Suet Lai
Ms. Wong Shuk Yee Camilla

REMUNERATION COMMITTEE

Ms. Wong Shuk Yee Camilla *(Chairwoman)*
Mr. Cheung Wai Kin
Ms. Lo Suet Lai

NOMINATION COMMITTEE

Ms. Lo Suet Lai *(Chairwoman)*
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 2022, together with the comparative figures for the year ended 31 December 2021.

Singapore's GDP expanded by 3.6% for the whole of 2022. Economists expect it to get back on track quickly as global growth picks up and vaccination rates rise. With the government rolling back containment measures and working on increasing vaccination rates, the recovery should regain momentum over the coming months. Our customers are mainly logistics service providers along the supply chain in Singapore. 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. For the year ended 31 December 2022, the revenue of the Group slightly increased by approximately S$25,000 or approximately 0.1% to approximately S$26,244,000 compared to the year ended 31 December 2021.

In line with the decrease in revenue, the Group's gross result turnaround from profit of approximately S$1,341,000 for the year ended 31 December 2021 to loss of approximately S$1,599,000 for the year ended 31 December 2022. Gross profit margin turnaround from profit of 5.1% for the year ended 31 December 2021 to loss of 6.1% for the year ended 31 December 2022. The turnaround in gross profit margin is mainly due to the increase in cost of diesel since February 2022.

The Group recorded a loss for the year of approximately S$8,664,000 for the year ended 31 December 2022 compared to a loss for the year of approximately S$3,605,000 for the year ended 31 December 2021.

PROSPECTS

Considering 2023 to be an unprecedented year, Singapore is forecasting its gross domestic product ("GDP") forecast to grow at 0.5% to 2.5%. 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

31 March 2023

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.

Singapore's GDP expanded by 3.6% for the whole of 2022. Economists expect it to get back on track quickly as global growth picks up and vaccination rates rise. With the government rolling back containment measures and working on increasing vaccination rates, the recovery should regain momentum over the coming months.

Our customers are mainly logistics service providers along the supply chain in Singapore, 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 2022, the revenue of the Group slightly increased by approximately S$25,000 or approximately 0.1% to approximately S$26,244,000 compared to the year ended 31 December 2021. The increase was mainly attributable to the increase in revenue from tracking services net off with the decrease in revenue from hubbing services. The following table sets forth the revenue of the Group by revenue type for the periods indicated:

	2022		2021	
	S$'000	**%**	*S$'000*	*%*
Trucking services	**22,182**	**84.5**	21,497	82.0
Hubbing services	**4,062**	**15.5**	4,722	18.0
	26,244	**100.0**	26,219	100.0

Revenue from trucking services

Revenue from trucking services increased by approximately S$685,000 to approximately S$22,182,000 for the year ended 31 December 2022, representing an 3.2% increase. The increase was mainly the trucking price to customers due to increase in diesel price caused by rising energy costs amid tensions involving Russia and Ukraine.

Revenue from hubbing services

Revenue from hubbing services decreased by 14.0% or approximately S$660,000. 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 2022, 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 profit of approximately S$1,341,000 for the year ended 31 December 2021 to loss of approximately S$1,599,000 for the year ended 31 December 2022, mainly due to the increase in cost of diesel since February 2022. The overall gross profit margin turnaround from profit of 5.1% for the year ended 31 December 2021 to loss of 6.1% for the year ended 31 December 2022. The table below sets forth a breakdown of gross profit and gross profit margin by revenue type for the periods indicated:

	2022		2021	
	S$'000	***Gross loss margin***	*S$'000*	*Gross profit margin*
Trucking services	**(933)**	**(4.2)**	439	2.0
Hubbing services	**(666)**	**(16.4)**	902	19.1
	(1,599)	**(6.1)**	1,341	5.1

Gross (loss)/profit from trucking services

The gross profit margin for trucking services turnaround from profit of approximately 2.0% for the year ended 31 December 2021 to loss of approximately 4.2% for the year ended 31 December 2022 mainly due to the increase in cost of diesel since February 2022. As more than a third of the costs for trucking services pertained to fixed costs like wages and depreciation, an increase in cost of diesel will decrease the gross profit margin.

Gross (loss)/profit from hubbing services

The gross profit margin for hubbing services turnaround from profit of 19.1% for the year ended 31 December 2021 to loss of approximately 16.4% for the year ended 31 December 2022 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$508,000 from approximately S$743,000 for the year ended 31 December 2021 to approximately S$235,000 for the year ended 31 December 2022. The decrease was mainly attributed to the decrease of the receipt of government grants mainly from the Jobs Support Scheme in 2020 to help Singapore businesses during the COVID-19 period.

Administrative expenses

Administrative expenses comprised mainly of office expenses, staff costs, auditor's remuneration and compliance costs. Total administrative expenses decreased to approximately S$5,946,000 for the year ended 31 December 2022 from approximately S$5,970,000 for the year ended 31 December 2021. The decrease is mainly due to the decrease of share-based payment recognised in relation to the share options granted during the year.

Income tax credit

The Group's income tax credit decreased from approximately S$398,000 to approximately S$383,000 for the year ended 31 December 2022.

Loss for the year

Due to the combined effect of the aforesaid factors, we recorded a loss of approximately S$8,664,000 for the year ended 31 December 2022, representing an increase of approximately S$5,059,000 as compared to the loss of approximately S$3,605,000 for the year ended 31 December 2021.

Liquidity and Financial Resources and Capital Structure

As at 31 December 2022, the Group had total assets of approximately S$18,277,000 (2021: approximately S$25,759,000), which is financed by total liabilities and shareholders' equity (comprising share capital, share premium and retained earnings) of approximately S$4,550,000 (2021: approximately S$4,850,000) and approximately S$13,727,000 (2021: approximately S$20,909,000) respectively. The current ratio as at 31 December 2022 of the Group was approximately 2.1 times (2021: approximately 4.2 times).

As at 31 December 2022, the Group had cash and cash equivalents of approximately S$2,253,000 (2021: approximately S$10,065,000) which were placed with major banks in Singapore and Hong Kong.

The bank borrowings and lease liabilities of the Group as at 31 December 2022 was approximately S$2,314,000 (2021: approximately S$2,397,000). The gearing ratio (calculated based on bank borrowings and lease liabilities divided by total equity) of the Group as of 31 December 2022 was 16.9% (2021: 11.5%).

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$14,000 (2021: gain of approximately S$96,000) as Hong Kong dollars depreciated (2021: appreciated) against Singapore dollars.

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 2022.

Material Acquisitions and Disposals of Subsidiaries, Associates and Joint Ventures

During the year ended 31 December 2022, 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 2022.

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 2022 (2021: S$695,000).

Capital Commitments

As at 31 December 2022, the Group had no capital commitment (2021: Nil).

Employee Information and Remuneration Policies

As at 31 December 2022, the Group had an aggregate of 140 employees (2021: 170).

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$9,405,000 for the year ended 31 December 2022 (2021: approximately S$10,255,000).

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	–

Prospects

2022 has been a challenging year for the Group, with the COVID-19 pandemic causing great uncertainty to the general economic and market conditions in Singapore and the industry in which we operate. The global economic recovery faces risks from mounting price pressures due to supply chain disruptions, shortage of shipping containers and rising energy costs amid tensions involving Russia and Ukraine. Besides, persistent supply chain bottlenecks, alongside rising energy prices due to geopolitical tensions, have also exacerbated global inflationary pressures. This has affected our business operations to a large extent.

While the Singapore's economy expanded by 3.6% for the whole of 2022, Singapore is expecting recovery and forecasted its gross domestic product (GDP) to grow at 0.5% to 2.5% in 2023 with the opening of the global markets. Management is continuously monitoring the situation and in constant discussion with our customers to understand their changing business needs. Additionally, the Group continues to strive to provide customers with timely delivery and storage of their containers, execute our growth strategy in the industry, as well as enhance overall competitiveness and market share in Singapore.

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 2022, the carrying amounts of the Group's properties and bank deposits of S$533,555 and S$511,859 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 2022 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 2022	No. of options granted during the year ended 31 December 2022	No. of options exercised during the year ended 31 December 2022	No. of options outstanding as at 31 December 2022	Approximate percentage of the underlying shares for the options in the issued shares of the Company as at 31 December 2022
Employees	21 May 2021	21 May 2021 to 20 May 2024	0.285	0.285	51,200,000	–	–	51,200,000 *(Note 1)*	6.14%
	20 January 2022	20 January 2022 to 19 January 2025	0.1056	0.102	–	62,464,000	(39,040,000)	23,424,000 *(Note 2)*	2.81%
	12 April 2022	12 April 2022 to 11 April 2025	0.064	0.064	–	14,336,000	(14,336,000)	–	0.00%
					51,200,000	76,800,000	(53,376,000)	74,624,000	8.95%

Notes:

1 Options have been granted to 8 employees. Each of them have 6,400,000 Options

2 Options have been granted to 3 employees. Each of them have 7,808,000 Options

EXECUTIVE DIRECTORS

Mr. Chua Kang Lim ("K L Chua"), aged 68, 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 62, 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.

Directors and Senior Management Profile

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Cheung Wai Kin ("Mr. Cheung"), aged 40, 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. Lo Suet Lai ("Ms. Lo"), aged 34, is our independent non-executive Director appointed on 29 September 2021. Ms. Lo graduated from Hong Kong Shue Yan University with Bachelor of Commerce (Honours) in Accounting. Prior to joining the Group, Ms. Lo worked in two international accounting firms in Hong Kong and the accounting work in Wanjia Group Holdings Limited, the shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 401). Ms. Lo is presently acting as a director in a Hong Kong private consultancy company. She has years of accounting and auditing experiences. Since 12 September 2016, Ms. Lo has been appointed as the independent non-executive director of China e-Wallet Payment Group Limited (Stock Code: 802), securities of which are listed on the Main Board of the Stock Exchange.

Ms. Wong Shuk Yee Camilla ("Ms. Wong"), aged 52, 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

Mr. Chua Chin Ho ("C H Chua"), aged 58, is our Sales Director and joined our Group in January 2015 and is primarily responsible for the sales and marketing activities of our Group. Mr. C H Chua graduated with a Diploma in Business Administration from the PSB Academy in 2001. Mr. C H Chua has over 29 years of experience in the logistics industry. Prior to joining our Group, he was a sales manager in Chun Logistics Pte Ltd. Mr. C H Chua is the younger brother of Mr. K L Chua, our executive Director.

Ms. Chua Shu Hui ("S H Chua"), aged 44, 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

Mr. Lai Nga Ming Edmund ("Mr. Lai"), aged 39, is the company secretary of our Company. Mr. Lai does not act as an individual employee of our Company, but as an external service provider. Mr. Lai is the company secretary of Luxxu Group Limited (stock code: 1327), the shares of which are listed on the main board of the Stock Exchange, since November 2016. He has also been an independent non-executive director of Founder Holdings Limited (stock code: 418), the shares of which are listed on the main board of the Stock Exchange, since April 2020. He has also been an independent non-executive director of Peking University Resources (Holdings) Company Limited (Stock Code: 618), the shares of which are listed on the main board of the Stock Exchange, from April 2020 to September 2021. Mr. Lai received a Bachelor of Arts (Honours) in Accountancy from The Hong Kong Polytechnic University and is a member of the Hong Kong Institute of Certified Public Accountants. He has accumulated extensive experience in auditing and accounting by working in various international firms of Certified Public Accountants, listed and multinational companies in Hong Kong such as Grant Thornton Hong Kong, BDO Hong Kong and SDM Group Holdings Limited (stock code: 8363), the shares of which are listed on GEM of the Stock Exchange.

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 13 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 2022 to 31 December 2022, 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 2022.

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 2022 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.

				No. of Attendance/No. of Meeting		
Name		**Role**	**Years of Services**	**AGM**	**EGM**	**Board Meeting**
1	Mr. Chua Kang Lim	Chairman & CEO	6 years	1/1	1/1	11/11
2	Ms. Fung Mee Kuen	ED	1.3 years	1/1	1/1	11/11
3	Mr. Cheung Wai Kin	INED	1.3 year	1/1	1/1	11/11
4	Ms. Lo Suet Lai	INED	1.3 year	1/1	1/1	11/11
5	Ms. Wong Shuk Yee Camilla (appointed on 26 January 2022)	INED	0.9 year	1/1	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 2022, 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 (appointed on 26 January 2022)	A, B
Mr. Cheung Wai Kin	A, B
Ms. Lo Suet Lai	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 2022, 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 2022, 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. Lo Suet Lai	Member	Financial services experience	5/5
Ms. Wong Shuk Yee Camilla (appointed on 26 January 2022)	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 2022, 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 2022, 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 (appointed on 26 January 2022)	Chairwoman	Financial services experience	3/3
Mr. Cheung Wai Kin	Member	Member of the Hong Kong Institute of Certified Public Accountant	4/4
Ms. Lo Suet Lai	Member	Financial services experience	4/4

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 2022, 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 2022, the Nomination Committee has held four meetings.

The Nomination Committee	Position	Key Qualification, Experience or Expertise	No. of Attendance/ No. of Meeting
Ms. Lo Suet Lai	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 Shuk Yee Camilla (appointed on 26 January 2022)	Member	Chartered Accountant of Singapore	2/2
Ms. Grace Choong Mai Foong (resigned on 26 January 2022)	Member	Financial services experience	1/1

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

Mr. Lai Nga Ming Edmund is the company secretary of the Company as appointed pursuant to Rule 5.14 of the GEM Listing Rules.

Mr. Lai 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 Mr. Lai. Mr. Lai has taken no less than 15 hours of relevant professional training for the year ended 31 December 2022.

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 2022 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 2022 is set out below:

	Fees paid/payable	
Services Rendered:	**2022**	2021
	S$000	*S$000*
Annual audit services	**120**	109
Non-audit services	**–**	–
Total	**120**	109

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 2022, 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 2022, there had been no significant change in the Company's constitutional documents. The Articles of Association of the Company are available on the websites of the 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 2022 ("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.

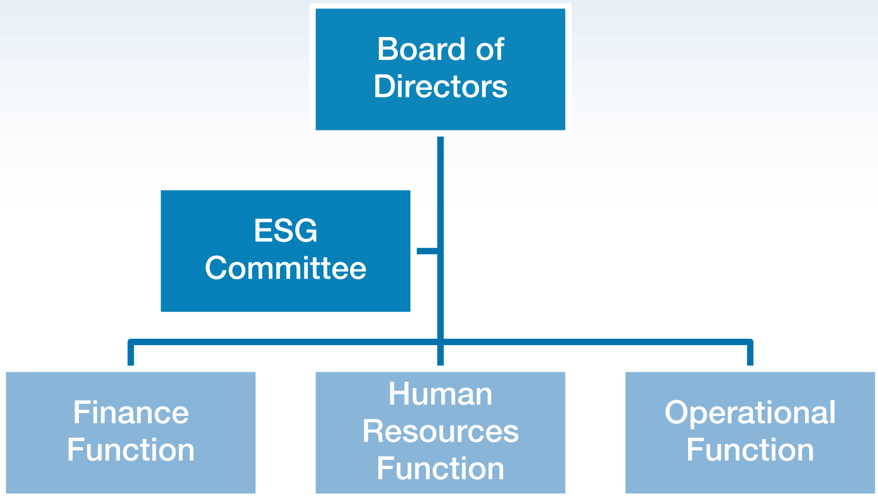
We also follow the principles of Materiality, Quantitative and Consistency and apply a consistent methodology in setting out relevant materiality, quantitatively measurement and reporting scope and format which is considered relevant and significant to the Group.

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**				
	2023	**2024**	**2025**	**2026**	**2027**
DIESEL[1]	0.7%	0.7%	1%	1.4%	1.6%
ELECTRICITY[2]	0.7%	1%	1.5%	1.7%	1.9%
WATER[3]	1.1%	1.4%	1.5%	1.7%	1.9%

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

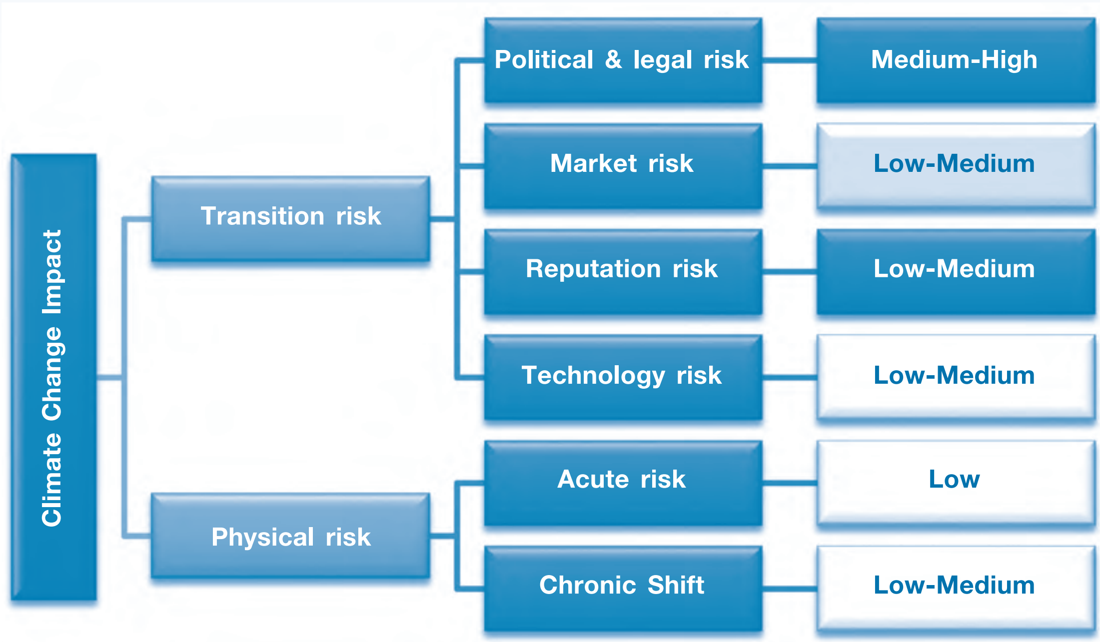
Industry's Feature

- 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	FY2022	FY2021
Greenhouse gas[1]	Direct emissions — Scope 1[3] (tonnes CO_2)	**8.278**	8,472
	Indirect emissions — Scope 2[4] (tonnes CO_2)	**36**	37
	Indirect emissions — Scope 3[5] (tonnes CO_2)	**6**	6
Exhaust gas	Sulphur Dioxide (SO) — kg	**53**	52
	Nitrogen Oxides (NO) — kg	**7,902**	7,869
	Particulate Matter (PM) — kg	**656**	780

Major resource consumed	Unit	FY2022	FY2021	2022 Intensity
Water — processing	cm^3	**365**	395	15
Electricity — processing	kWh	**50,053**	53,516	1,975
Diesel	liter	**2,847,677**	3,241,024	127,284
Paper	kg	**1,451**	1,250	37

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 FY2022 (approximately S$26.24 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.

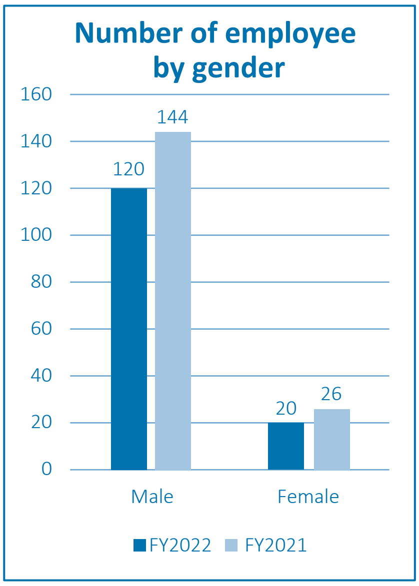
In daily operation, we encourage our employees to communicate with their department head or our Human Resources Department to express their views, needs and concerns. In addition, the Group has established a whistleblowing policy and related reporting mechanism through which our employees and any third 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.

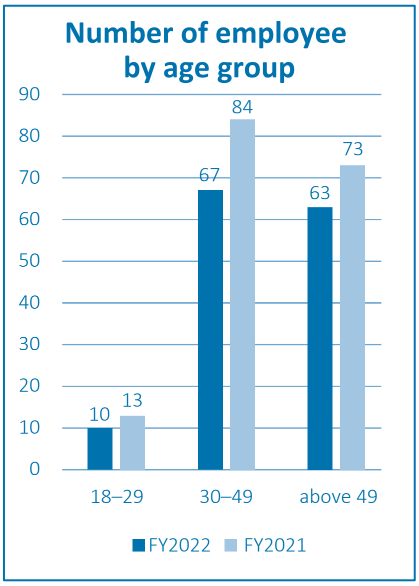
Workforce Composition

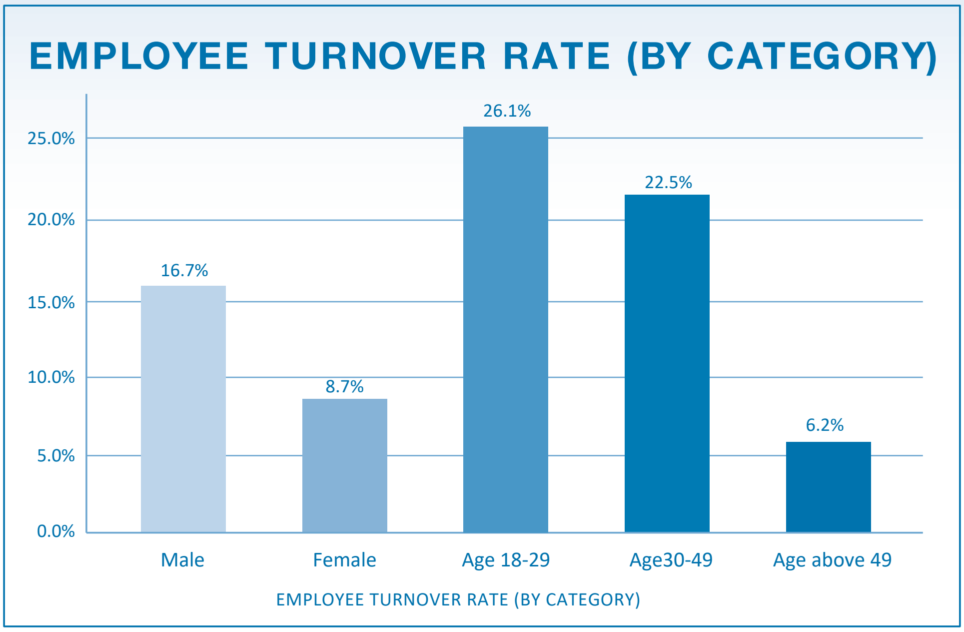
As at 31 December 2022, the Group has a total full-time workforce of 140 employees (2021: 170) inclusive of the 2 Directors of the Board, with breakdowns presented:

By geographical region, 124 staffs are residing and operating in Singapore and 16 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 15.48%, 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 2021 and 2022 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	FY2020	FY2021	**FY2022**
Rate of work-related injuries/No. of working hours for 262 working days by the total no of driver	0.0160%	0.0034%	**0.0055%**
Resulting loss of working days	72	15	**25**

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 2022, the Group is engaged with 5 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 2022.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

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

A review of the business of the Group as well as discussion and analysis of the Group's performance during the year and the material factors underlying its financial performance and financial position can be found in the section headed "Management Discussion and Analysis" set out on pages 5 to 12 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 and 12 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 2022 and the Group's financial position at that date are set out in the financial statements on pages 67 to 133.

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 2022.

SHARE CAPITAL

Details of movements in the share capital of the Company during the year are set out in note 24 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 2022.

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 2022 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 2022, 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$24.2 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 72.5% of the total sales for the year and sales to the largest customer included therein amounted to 50.5%. Purchases from the Group's five largest suppliers accounted for 37.3% of the total purchases for the year and purchase from the largest supplier included therein amounted to 39.0%. 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 2022, the Company has not yet utilised the net proceeds of Nil raised from the Share Offer in accordance with the intended use of proceeds set out in the Prospectus. Details of the intended uses and utilised amount are set out on page 10 of the annual report.

ENVIRONMENTAL POLICIES

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

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 2022.

DIRECTORS

The Directors during the year were:

Executive Directors:

Mr. Chua Kang Lim
Ms. Fung Mee Kuen
Ms. Chua Sui Feng (resigned on 26 October 2022)

Independent non-executive Directors:

Mr. Cheung Wai Kin
Ms. Lo Suet Lai
Ms. Wong Shuk Yee Camilla (appointed on 26 January 2022)

DIRECTORS' AND SENIOR MANAGEMENT'S BIOGRAPHIES

Biographical details of the Directors and the senior management of the Group are set out on pages 13 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 2022.

As at 31 December 2022, 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 2022, 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 2022.

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

As at 31 December 2022, 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")	64,605,000 *(Note)* Long position	7.74%	Interest of controlled company and beneficial owner

Note: 58,205,000 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 2022, 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 2022 is set out below:

	Date of grant	Exercisable period	Exercise price	Closing price per share immediately before the date of grant	No. of options outstanding as at 1 January 2022	No. of options granted during the year ended 31 December 2022	No. of options exercised during the year ended 31 December 2022	No. of options outstanding as at 31 December 2022	Approximate percentage of the underlying shares for the options in the issued shares of the Company as at 31 December 2022
			HK$	*HK$*					
Employees	21 May 2021	21 May 2021 to 20 May 2024	0.285	0.285	51,200,000	–	–	51,200,000 *(Note 1)*	6.14%
	20 January 2022	20 January 2022 to 19 January 2025	0.1056	0.102	–	62,464,000	(39,040,000)	23,424,000 *(Note 2)*	2.81%
	12 April 2022	12 April 2022 to 11 April 2025	0.064	0.064	–	14,336,000	(14,336,000)	–	0.00%
					51,200,000	76,800,000	(53,376,000)	74,624,000	8.95%

Notes:

1 Options have been granted to 8 employees. Each of them have 6,400,000 Options

2 Options have been granted to 3 employees. Each of them have 7,808,000 Options

The Share Option Scheme will expire on 17 October 2027.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

During the year ended 31 December 2022 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 2022.

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 2022, 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	58,205,000	6.98%	Beneficial owner
2.	Mr. Dai Wangfei	79,000,000	9.47%	Beneficial owner
3.	Mr. Wang Hufei	209,435,000	25.11%	Beneficial owner

Save as disclosed above, as at 31 December 2022, 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 2022, 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 32 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 2022. 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 2022 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
31 March 2023

McMillan Woods
Professionalism at the forefront

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 67 to 133, which comprise the consolidated statement of financial position as at 31 December 2022, and the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2022, 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 for trade receivables; and (ii) impairment of non-financial assets.

KEY AUDIT MATTERS (continued)

Key audit matter	How our audit addressed the key audit matter
Impairment for trade receivables	
As at 31 December 2022, trade receivables of the Group amounted to S$3,981,833. The Group's trade receivables balance was significant to the Group as it represented approximately 22% of 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 significant accounting judgements and estimates and disclosures related to trade receivables are included in notes 2.4, 3, 18 and 31 to the Group's consolidated financial statements.	Our audit procedures included, but are not limited to the following procedures. We assessed the Group's processes relating to the monitoring of trade receivables and reviewed the ageing of receivables to identify collection risks. We requested trade receivable confirmations, reviewed management's reconciliation of confirmation replies, where applicable, and obtained evidence of receipts from selected customers subsequent to financial year end. We assessed management's assumptions used in assessing the ECL through review of specific debtors' payment history and management's assessment of credit risk of these debtors. We also reviewed and assessed management's ECL model assessment and assessed the adequacy of the Group's disclosures of trade receivables and the related risks such as credit risk in note 31 to the consolidated financial statements.
Impairment of non-financial assets	
As at 31 December 2022, the carrying values of the Group's property, plant and equipment, right-of-use assets and intangible assets amounted to S$7,959,852, S$348,584 and S$124,177 respectively, which in total, represented approximately 46% of 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 accounting policies and disclosures in respect of impairment of non-financial assets are included in notes 2.4, 3, 13, 14 and 15 to the Group's consolidated financial statements.	Our audit procedures included, but are not limited to the following procedures. We evaluated the Group's policies and procedures to identify triggering events for potential impairment of non-financial assets. We assessed whether there were any indicators exist and whether non-financial assets were impaired. We involved our auditor's expert to assist us with our evaluation of management's impairment assessments and tested the reasonableness of inputs and assumptions adopted therein, and assessed the results of their work as part of our audit. We assessed the adequacy of the Group's disclosures in the consolidated financial statements.

OTHER INFORMATION

The Directors are responsible for the other information. The other information comprises all the information in the Company's Annual Report, but does not include 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 responsible 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
Lo Ka Ki
Audit Engagement Director
Practising Certificate Number: P06633

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

31 March 2023

Consolidated Statement of Profit or Loss and Other Comprehensive Income

Year ended 31 December 2022

	Notes	**2022**	2021
		$	$
Revenue	5	**26,244,251**	26,219,156
Cost of sales		**(27,843,122)**	(24,878,345)
Gross (loss)/profit		**(1,598,871)**	1,340,811
Other income	5	**234,855**	742,828
Administrative expenses		**(5,946,157)**	(5,969,535)
Allowances for expected credit losses ("ECL")		**(289,496)**	–
Impairment of right-of-use assets		**(1,379,986)**	–
Finance costs	6	**(68,246)**	(117,374)
Loss before tax	7	**(9,047,901)**	(4,003,270)
Income tax credit	10	**383,440**	398,335
Loss for the year and total comprehensive loss for the year		**(8,664,461)**	(3,604,935)
			(Restated)
Loss per share attributable to ordinary equity holders of the Company			
Basic and diluted	12	**(0.2015)**	(0.0963)

Consolidated Statement of Financial Position

31 December 2022

	Notes	2022	2021
		$	$
Non-current assets			
Property, plant and equipment	13	**7,959,852**	9,388,975
Right-of-use assets	14(a)	**348,584**	700,197
Intangible assets	15	**124,177**	212,510
Deferred tax assets	16	**8,649**	297,584
Deposits	17	**1,855,546**	52,500
Total non-current assets		**10,296,808**	10,651,766
Current assets			
Trade receivables	18	**3,981,833**	3,843,489
Deposits and other receivables	17	**1,045,006**	132,138
Contract assets	19	**41,616**	1,323
Prepayments		**147,149**	561,227
Pledged deposits	20	**511,859**	503,642
Cash and bank balances	20	**2,252,650**	10,065,121
Total current assets		**7,980,113**	15,106,940
Current liabilities			
Trade payables	21	**1,251,148**	1,032,651
Other payables and accruals	22	**984,977**	1,068,118
Bank borrowings	23	**847,288**	1,023,645
Lease liabilities	14(b)	**636,588**	452,804
Total current liabilities		**3,720,001**	3,577,218
Net current assets		**4,260,112**	11,529,722
Total assets less current liabilities		**14,556,920**	22,181,488

Consolidated Statement of Financial Position

31 December 2022

	Notes	2022 $	2021 $
Non-current liabilities			
Bank borrowings	23	–	847,254
Deferred tax liabilities	16	–	351,868
Lease liabilities	14(b)	**829,694**	73,403
Total non-current liabilities		**829,694**	1,272,525
Net assets		**13,727,226**	20,908,963
Equity			
Share capital	24	**1,442,676**	1,350,206
Reserves	25	**12,284,550**	19,558,757
Total equity		**13,727,226**	20,908,963

Approved and authorised for issue by the Board of Directors on 31 March 2023.

Chua Kang Lim
Director

Fung Mee Kuen
Director

Consolidated Statement of Changes in Equity

Year ended 31 December 2022

	Share capital $	Share premium $	Option reserves $	Accumulated losses $	Total equity $
At 1 January 2021	1,106,317	19,773,348	–	(1,052,617)	19,827,048
Placing of shares	221,658	2,397,637	–	–	2,619,295
Cost of shares issued under Placement	–	(86,732)	–	–	(86,732)
Share options issued	–	–	1,520,706	–	1,520,706
Issue of shares upon exercise of share options	22,231	957,604	(346,254)	–	633,581
Loss for the year and total comprehensive loss for the year	–	–	–	(3,604,935)	(3,604,935)
At 31 December 2021 and 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 for the year and total comprehensive loss for the year	**–**	**–**	**–**	**(8,664,461)**	**(8,664,461)**
At 31 December 2022	**1,442,676**	**24,233,418**	**1,373,145**	**(13,322,013)**	**13,727,226**

Consolidated Statement of Cash Flows

Year ended 31 December 2022

	Notes	2022 $	2021 $
Cash flows from operating activities			
Loss before tax		**(9,047,901)**	(4,003,270)
Adjustments for:			
Depreciation of property, plant and equipment		**1,998,107**	1,878,316
Depreciation of right-of-use assets		**684,713**	570,148
Allowance for expected credit losses on trade receivables		**47,593**	–
Allowance for expected credit losses on deposits and other receivables		**241,903**	–
Amortisation of intangible assets		**79,690**	79,690
Gain on disposal of items of property, plant and equipment		**(66,929)**	(55,953)
Finance costs		**68,246**	117,374
Loss on disposal of a subsidiary		**14,673**	–
Interest income		**(8,217)**	–
Share-based payment expenses		**610,131**	1,520,706
Intangible assets written off		**8,643**	–
Exchange loss/(gain), net		**13,551**	(95,767)
Impairment of right-of-use assets		**1,379,986**	–
		(3,975,811)	11,244
(Increase)/decrease in trade receivables		**(709,223)**	650,950
(Increase)/decrease in contract assets		**(40,293)**	24,362
(Increase)/decrease in deposits and other receivables		**(3,004,847)**	52,457
Decrease/(increase) in prepayments		**414,077**	(510,050)
Increase/(decrease) in trade payables		**642,218**	(211,534)
Increase/(decrease) in other payables and accruals		**105,391**	(159,766)
Decrease in contract liabilities		**–**	(188,691)
Net cash flows used in from operating activities		**(6,568,488)**	(331,028)
Cash flows from investing activities			
Interest income received		**8,217**	–
Purchase of items of property, plant and equipment		**(1,026,464)**	(552,430)
Net cash inflow from disposal of a subsidiary		**636,844**	–
Proceeds from disposal of items of property, plant and equipment		**151,463**	121,690
Net cash flows used in investing activities		**(229,940)**	(430,740)

Consolidated Statement of Cash Flows

Year ended 31 December 2022

	Notes	2022	2021
		$	$
Cash flows from financing activities			
Proceeds from placing of shares, net of expenses		–	2,532,563
Proceeds from issuance of shares upon exercise of share options		872,593	633,581
Increase in pledged deposits		(8,217)	(125)
Repayment of bank borrowings		(1,023,611)	(3,315,056)
Payment of principal portion and interest expense of lease liabilities		(813,200)	(672,159)
Interest paid		(28,057)	(91,211)
Net cash flows used in financing activities		(1,000,492)	(912,407)
Net decrease in cash and cash equivalents		(7,798,920)	(1,674,175)
Cash and cash equivalents at beginning of year		10,065,121	11,643,529
Effect of foreign exchange rate changes, net		(13,551)	95,767
Cash and cash equivalents at end of year	20	2,252,650	10,065,121

1. CORPORATE AND GROUP INFORMATION

The Company is an exempted company with limited liability incorporated in the Cayman Islands. The Company's registered office address is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands. The principal place of business of the Company is 19th Floor, Prosperity Tower, 39 Queen's Road Central, 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, primarily trucking and hubbing.

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
			2022	2021	
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%	Inactive

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.

The consolidated financial statements have been prepared under the historical cost convention. The consolidated financial statements are presented in Singapore dollars ("S$" or "$") 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 2022. A subsidiary is an entity (including a structured entity), directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Group the current ability to direct the relevant activities of the investee).

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

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

(b) rights arising from other contractual arrangements; and

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

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

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

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control described above. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

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

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 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

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 2022 for the preparation of the consolidated financial statements:

Amendments to IFRS 3	Reference to the Conceptual Framework
Amendments to IAS 16	Property, plant and equipment: Proceeds before Intended Use
Amendments to IAS 37	Onerous contracts — Cost of Fulfilling a Contract
Annual Improvements to IFRSs 2018 — 2020 Cycle	Amendments to IFRS 1, IFRS 9, IFRS16 and IAS 41

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.

2.3 ISSUED BUT NOT YET EFFECTIVE IFRSs

The Group has not applied any new and revised HKFRSs that have been issued but are not yet effective for the financial year beginning 1 January 2022. 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 Convenants	1 January 2024
Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2 Making Materiality Judgements — Disclosure of Accounting Policies	1 January 2023
Amendments to IAS 8 Accounting Policies, Changes in Accounting Estimates and Error — Definition of Accounting Estimates	1 January 2023
Amendments to IAS 12 Income Taxes — Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction	1 January 2023
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	A date 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.

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Business combinations and goodwill

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

The Group determines that it has acquired a business when the acquired set of activities and assets includes an input and a substantive process that together significantly contribute to the ability to create outputs.

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

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

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

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

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

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

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Business combinations and goodwill (continued)

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

Impairment of non-financial assets

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

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

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

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.

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.

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Fair value measurement (continued)

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

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

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

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

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

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

Related parties

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

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

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

(ii) has significant influence over the Group; or

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

or

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Related parties (continued)

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

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

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

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

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

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

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

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

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

Property, plant and equipment and depreciation

Property, plant and equipment are stated at cost less accumulated depreciation and any impairment losses. When an item of property, plant and equipment is classified as held for sale or when it is part of a disposal group classified as held for sale, it is not depreciated and is accounted for in accordance with IFRS 5, as further explained in the accounting policy for "Non-current assets and disposal groups held for sale". The cost of an item of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use.

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

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Property, plant and equipment and depreciation (continued)

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

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

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

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.

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Leases

The Group assesses at contract inception whether a 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.

Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

(a) *Right-of-use assets*

Right-of-use assets are recognised at the commencement date of the lease (that is the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and any impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease terms and the estimated useful lives of the assets as follows:

Yard	2 years
Motor vehicles	10 years

If ownership of the leased asset transfers to the Group by the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

(b) *Lease liabilities*

Lease liabilities are recognised at the commencement date of the lease at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in- substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for termination of a lease, if the lease term reflects the Group exercising the option to terminate the lease. The variable lease payments that do not depend on an index or a rate are recognised as an expense in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in lease payments (e.g., a change to future lease payments resulting from a change in an index or rate) or a change in assessment of an option to purchase the underlying asset. 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 set out in paragraph 46A of IFRS 16 and recognised the change in consideration as if it were not a lease modification.

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Leases (continued)

Group as a lessee (continued)

(c) *Short-term leases and leases of low-value assets*

The Group applies the short-term lease recognition exemption to its short-term leases of yard and workers' dormitory (that is those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the recognition exemption for leases of low-value assets to leases of office equipment and laptop computers that are considered to be of low value.

Lease payments on short-term leases and leases of low-value assets are recognised as an expense on a straight-line basis over the lease term.

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.

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

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (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

The Group recognises an allowance for expected credit losses ("ECLs") for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual term.

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Impairment of financial assets (continued)

General approach

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

At each reporting date, the Group assesses whether the credit risk on a financial instrument has increased significantly since initial recognition. When making the assessment, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information that is available without undue cost or effort, including historical and forward-looking information.

The Group considers a financial asset in default when contractual payments are 120 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Debt investments at fair value through other comprehensive income and financial assets at amortised cost are subject to impairment under the general approach and they are classified within the following stages for measurement of ECLs except for trade receivables and contract assets which apply the simplified approach as detailed below.

Stage 1	–	Financial instruments for which credit risk has not increased significantly since initial recognition and for which the loss allowance is measured at an amount equal to 12-month ECLs
Stage 2	–	Financial instruments for which credit risk has increased significantly since initial recognition but that are not credit-impaired financial assets and for which the loss allowance is measured at an amount equal to lifetime ECLs
Stage 3	–	Financial assets that are credit-impaired at the reporting date (but that are not purchased or originated credit-impaired) and for which the loss allowance is measured at an amount equal to lifetime ECLs

Simplified approach

For trade receivables and contract assets that do not contain a significant financing component or when the Group applies the practical expedient of not adjusting the effect of a significant financing component, the Group applies the simplified approach in calculating ECLs. Under the simplified approach, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, bank borrowings, payables, as appropriate.

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

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

Subsequent measurement

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

Financial liabilities at amortised cost (bank borrowings)

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

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

Derecognition of financial liabilities

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

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

Cash and cash equivalents

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

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

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Provisions

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

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

Income tax

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

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

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

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

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

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

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

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

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

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Income tax (continued)

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

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

Deferred tax assets and deferred tax liabilities are offset if and only if the Group has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

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

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

Where the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

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

(a) Job Support Scheme

The Job Support Scheme enables the Singapore Government to provide wage support to employers to help them retain their local employees during this period of economic uncertainty. Employers who have made CPF contributions for their local employees will qualify for the payouts under the scheme.

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Government grants (continued)

(b) Rental relief

Qualifying property owners received support via a Singapore Government cash grant and they must in turn provide the necessary rental relief to their eligible Small and Medium Enterprises ("SMEs") and Non-Profit organization ("NPOs") tenant-occupiers of the prescribed under the Rental Relief Framework.

(c) Foreign worker levy waiver and rebate

The Singapore Government provided business employers who hire foreign workers and S-passes with Foreign Worker Levy ("FWL") and FWL rebates to ease the labour costs of such firms.

(d) Property tax rebate

The Singapore Government had given remission of property tax rebate (property tax rebates) under section 6(8) of the Property Tax Act (Cap. 254) to qualifying non-residential properties in response to the COVID-19 pandemic. For the portion of a non-residential property leased out to a lessee (tenant), the owner of the property (landlord) must transfer the benefit from the property tax rebate under section 29 of the COVID-19 (Temporary Measures) Act 2020. For the vacant portion of the property, the landlord itself will benefit from the property tax rebate.

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.

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenue recognition (continued)

(a) Rendering of services (continued)

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

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Group performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional. Contract assets are subject to impairment assessment, details of which are included in the accounting policies for impairment of financial assets.

Contract liabilities

A contract liability is recognised when a payment is received or a payment is due (whichever is earlier) from a customer before the Group transfers the related goods or services. Contract liabilities are recognised as revenue when the Group performs under the contract (i.e. transfers control of the related goods or services to the customer).

Employee benefits

(a) Defined contribution plans

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

(b) Employee leave entitlement

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

Borrowing costs

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

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

Dividend

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

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

Foreign currencies

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

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured. The gain or loss arising on translation of a non-monetary item measured at fair value is treated in line with the recognition of the gain or loss on change in fair value of the item (i.e., translation difference on the item whose fair value gain or loss is recognised in other comprehensive income or profit or loss is also recognised in other comprehensive income or profit or loss, respectively).

In determining the exchange rate on initial recognition of the related asset, expense or income on the derecognition of a non-monetary asset or non-monetary liability relating to an advance consideration, the date of initial transaction is the date on which the Group initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, the Group determines the transaction date for each payment or receipt of the advance consideration.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of the Group's 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 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 hubbing services*

The Group concluded that revenue from hubbing services is recognised over time because the customer simultaneously receives and consumes the benefits provided by the Group. The Group determined that 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.

(c) *Significant increase in credit risk*

ECL on financial assets other than trade receivable and contract assets 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. SIGNIFICANT ACCOUNTING JUDGEMENTS AND 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 carrying amount of non-financial assets, including property, plant and equipment, right-of-use assets and intangible assets at 31 December 2022 is $8,432,613 (2021: $10,301,682).

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 31 to the consolidated financial statements.

As at 31 December 2022, the carrying amount of trade receivables and contract assets is $4,023,449 (net allowance for doubtful debts of $47,593) (2021: $3,844,812 (net allowance for doubtful debts of Nil)).

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND 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.

During the year, the carrying amount of deposits and other receivables is $2,900,552, net allowance of doubtful debts of $241,903 (2021:$184,638) (net allowance for doubtful debts of Nil).

Fair value of share options granted

As set out in note 26 to the consolidated financial statements, share option expense is subject to the limitations of the option pricing models adopted and the uncertainty in estimates used by management in the assumptions. Should the estimates including limited early exercise behavior, expected interval and frequency of open exercise periods in the share option life and the relevant parameters of the share option model be changed, there would be material changes in the amount of share-based payment recognised in the profit or loss and option reserve.

During the year 31 December 2022, share-based payment amounted to $610,131 (2021: $1,520,706) was recognised in profit or loss in respect of fair value of share options granted to Directors and employees.

Deferred tax assets

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies. The carrying value of deferred tax assets relating to recognised tax losses at 31 December 2022 was $6,768 (2021: $212,955). The amount of unrecognised tax losses at 31 December 2022 was $2,546,959 (2021: $468,012). Further details are contained in note 16 to the consolidated financial statements.

4. SEGMENT INFORMATION

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

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

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

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

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 tax payables, bank borrowings, deferred tax liabilities 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 2022	Trucking $	Hubbing $	Total $
Segment revenue *(note 5)*			
Sales to external customers	22,181,798	4,062,453	26,244,251
Segment results	(932,995)	(665,876)	(1,598,871)
Reconciliation			
Other income			234,855
Allowance for ECL			(284,496)
Impairment of right-of-use assets			(1,379,986)
Finance costs			(68,246)
Corporate and other unallocated expenses			(5,951,157)
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
Unallocated amounts			185,926
			2,762,510
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)

Year ended 31 December 2021	Trucking *$*	Hubbing *$*	Total *$*
Segment revenue *(note 5)*			
Sales to external customers	21,496,842	4,722,314	26,219,156
Segment results	438,806	902,005	1,340,811
Reconciliation			
Other income			742,828
Finance costs			(117,374)
Corporate and other unallocated expenses			(5,969,535)
Loss before tax			(4,003,270)
Segment assets	12,057,416	1,875,245	13,932,661
Reconciliation			
Deferred tax assets			297,584
Pledged deposits			503,642
Cash and bank balances			10,065,121
Corporate and other unallocated assets			959,698
Total assets			25,758,706
Segment liabilities	1,272,130	715,616	1,987,746
Reconciliation			
Bank borrowings			1,870,899
Deferred tax liabilities			351,868
Corporate and other unallocated liabilities			639,230
Total liabilities			4,849,743
Other segment information			
Depreciation and amortisation	1,783,472	626,484	2,409,956
Unallocated amounts			118,198
			2,528,154
Capital expenditure*	552,430	609,226	1,161,656

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

4. SEGMENT INFORMATION (continued)

Information about major customers

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

	2022 $	2021 $
Customer A	9,818,778	9,228,654
Customer B	3,346,881	3,938,252
Customer C	3,210,169	2,852,310
Customer D	2,656,004	–

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

Information about geographical areas

Since all of the Group's revenue were generated from the provision of trucking and hubbing services in Singapore and all of the Group's non-current assets were located in Singapore for the years ended 31 December 2022 and 2021, no geographical segment information in accordance with IFRS 8 Operating Segments is provided.

5. REVENUE AND OTHER INCOME

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

An analysis of revenue is as follows:

	2022 $	2021 $
Revenue from contracts with customers within the scope of IFRS 15	26,244,251	26,219,156

(i) Disaggregated revenue information

Revenue from contracts with customers within the scope of IFRS 15

	2022 $	2021 $
Types of goods or services		
Trucking services	22,181,798	21,496,842
Hubbing services	4,062,453	4,722,314
	26,244,251	26,219,156
Timing of revenue recognition		
Services transferred over time	26,244,251	26,219,156

5. REVENUE AND OTHER INCOME (continued)

(i) Disaggregated revenue information (continued)

Geographical markets

All of the Group's revenue were generated in Singapore.

The following table shows the amounts of revenue recognised in the current reporting period that were included in the contract liabilities at the beginning of the reporting period and recognised from performance obligations satisfied in previous periods:

	2022	2021
	$	$
Revenue recognised that was included in contract liabilities at the beginning of the reporting period:		
Trucking services	–	188,691

(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:

	2022	2021
	$	$
Interest income	8,217	—
Gain on disposal of items of property, plant and equipment	66,929	55,953
Government grants *(note)*	159,709	591,108
Exchange gain	–	95,767
	234,855	742,828

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

	2022 $	2021 $
Interest on lease liabilities	**40,189**	26,163
Interest on bank borrowings	**28,057**	91,211
	68,246	117,374

7. LOSS BEFORE TAX

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

	2022 $	2021 $
Employee benefits (excluding Directors' remuneration *(note 8)*)		
— Salaries and wages	**7,310,672**	7,644,788
— CPF contributions	**622,823**	354,466
— Share-based payments expenses	**610,131**	1,174,452
	8,543,626	9,173,706
Depreciation of property, plant and equipment *(note 13)*	**1,998,107**	1,878,316
Amortisation of intangible assets *(note 15)*	**79,690**	79,690
Depreciation of right-of-use assets *(note 14)*	**684,713**	570,148
Lease payments not included in the measurement of lease liabilities *(note 14)*	**872,733**	916,000
Auditor's remuneration		
— Current	**119,674**	132,450
— Underprovision in prior years	**–**	91,688
	119,674	224,138
Loss on disposal of a subsidiary *(note 27)*	**14,673**	–
Write off of intangible assets	**8,643**	–
Gain on disposal of items of property, plant and equipment	**(66,929)**	(55,953)
Exchange loss/(gain), net	**13,551**	(95,767)
Allowances for ECLs	**289,496**	–
Impairment of right-of-use assets	**1,379,986**	–

8. DIRECTORS' REMUNERATION

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 Directors of the Company is set out below:

	Fees $	Salaries and allowance $	CPF contributions $	Share-based payments $	Total $
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**
Year ended 31 December 2021					
CHUA KANG LIM	–	497,844	16,311	173,127	687,282
CHUA SUI FENG	–	129,661	22,308	173,127	325,096
FUNG MEE KUEN (appointed on 29 September 2021)	5,256	–	–	–	5,256
	5,256	627,505	38,619	346,254	1,017,634

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

		2022 $	2021 $
Wong Shuk Yee Camilla	(appointed on 26 January 2022)	**11,823**	–
Teo Dax Tak Sin	(resigned on 29 September 2021)	**–**	15,000
Kwong Choong Kuen	(resigned on 23 August 2021)	**–**	16,131
Grace Choong Mai Foong	(resigned on 26 January 2022)	**1,670**	20,000
Cheung Wai Kin	(appointed on 23 August 2021)	**21,125**	7,509
Lo Suet Lai	(appointed on 29 September 2021)	**21,125**	5,256
		55,743	63,896

There were no other emoluments paid or payable to the independent non-executive directors during the year (2021: Nil).

There was no arrangement under which a director of the Company waived or agreed to waive any remuneration during the year (2021: 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 (2021: Nil).

9. FIVE HIGHEST PAID EMPLOYEES

The five highest paid employees during the year included two Directors (2021: two Directors), details of whose remuneration are set out in note 8 above. Details of the remuneration for the remaining three (2021: three) highest paid employees who are neither a director nor chief executive of the Group are as follows:

	2022	2021
	$	*$*
Salaries and bonuses	**383,170**	169,250
CPF contributions	**45,034**	22,653
Share-based payments	**–**	293,614
Total	**428,204**	485,517

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

	2022	2021
HK$1,000,001 to HK$1,500,000	**–**	1
Nil to HK$1,000,000	**3**	2

During the year and in the prior years, 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 (2021: Nil).

10. INCOME TAX 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.

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 (2021: Nil).

10. INCOME TAX CREDIT (continued)

The Singapore statutory income tax rate has been provided at the rate of 17% (2021: 17%) for the year. No income tax of the Group's Singapore subsidiaries had been provided as they incurred loss for taxation purpose (2021: Nil). Major components of income tax credit for the years ended 31 December 2022 and 2021 are:

	2022 $	2021 $
Current tax — Singapore	–	–
Deferred tax		
— Origination and reversal of temporary differences	(383,440)	(322,176)
— Over-provision in respect of prior years	–	(76,159)
	(383,440)	(398,335)
Total income tax credit for the year	(383,440)	(398,335)

A reconciliation of the income tax 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:

	2022 $	2021 $
Loss before tax	(9,047,901)	(4,003,270)
Tax at Singapore statutory tax rate of 17%	(1,538,143)	(680,556)
Expenses not deductible for tax	763,588	443,736
Income not subjected to tax	(6,486)	(76,828)
Tax losses not recognised	432,983	–
Over-provision in respect of prior years	–	(76,159)
Others	(35,382)	(8,528)
Income tax credit at the Group's effective tax rate	(383,440)	(398,335)

11. DIVIDENDS

The Directors do not recommend the payment of any dividend in respect of the year (2021: Nil).

12. BASIC AND DILUTED LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY

	2022 $	2021 $
Loss attributable to the ordinary equity holders of the Company	(8,664,461)	(3,604,935)
		(Restated)
Issued ordinary shares at the beginning of year	780,800,000	640,000,000
Effect of exercise of share options *(note 24)*	43,734,970	4,839,452
Effect of placing of shares *(note 24)*	–	68,032,877
Effect of share consolidation *(note 32)*	(783,308,221)	(677,228,712)
Effect of rights issue *(note 32)*	1,779,048	1,779,048
Weighted average number of ordinary shares for the purpose of calculating basic and diluted loss per share	43,005,797	37,422,665

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 2022 and 2021, the share consolidation and rights issue being effective on 4 January 2023 and 24 February 2023 respectively (note 32) was deemed to be effective throughout the period from 1 January 2021 to 31 December 2022.

For the purpose of calculation of diluted loss per share, no adjustment has been made to the weighted average number of shares as the Company's outstanding share options have no dilutive effect for the years ended 31 December 2022 and 2021.

13. PROPERTY, PLANT AND EQUIPMENT

	Motor vehicles $	Furniture and fittings $	Office equipment $	Computers $	Properties $	Leasehold improvements $	Total $
Cost							
At 1 January 2021	24,690,778	1,971	590	157,484	1,189,985	50,719	26,091,527
Additions	272,430	–	–	–	280,000	–	552,430
Disposals	(2,106,381)	–	–	–	–	–	(2,106,381)
Reclassification from right-of-use assets	2,111,405	–	–	–	–	–	2,111,405
At 31 December 2021 and 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	(827,773)	(1,971)	(590)	(58,788)	–	–	(889,122)
Written off	(98,982)	–	–	–	–	–	(98,982)
At 31 December 2022	24,626,269	–	–	98,696	1,469,985	50,719	26,245,669
Accumulated depreciation							
At 1 January 2021	16,098,150	1,971	590	157,484	290,895	50,719	16,599,809
Charge for the year	1,824,937	–	–	–	53,379	–	1,878,316
Disposals	(2,040,644)	–	–	–	–	–	(2,040,644)
Reclassification from right-of-use assets	822,525	–	–	–	–	–	822,525
At 31 December 2021 and 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	(454,827)	(1,971)	(590)	(58,788)	–	–	(516,176)
Written off	(98,982)	–	–	–	–	–	(98,982)
At 31 December 2022	17,732,892	–	–	98,696	403,510	50,719	18,285,817
Net book value							
At 31 December 2022	6,893,377	–	–	–	1,066,475	–	7,959,852
At 31 December 2021	8,263,264	–	–	–	1,125,711	–	9,388,975

During the financial year, the Group transferred costs of Nil (2021: $2,111,405) and accumulated depreciation of Nil (2021: $822,525) 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 $533,555 (2021: $563,896) were mortgaged to secure the Group's bank borrowings as at 31 December 2022 (note 23(i)).

Impairment assessment

At the end of each reporting period, management of the Group test for impairment of its property, plant and equipment employed in trucking and hubbing segments owing to both segments were sustained operating loss during the year ended 31 December 2022.

Items included in the Group's property, plant and equipment were motor vehicles and properties (collectively "PPE") with aggregated carrying amount of approximately $7,959,852 (2021: $9,388,975) which recoverable amounts have been determined based on their fair value less costs of disposal ("FVLCD") (2021: FVLCD). The Group uses direct comparison approach (2021: direct comparison approach) to estimate FVLCD of the Group's PPE which is based on the recent transaction prices for similar items of PPE adjusted for nature, location, and conditions.

The fair value measurement is categorised into Level 3 fair value hierarchy. The valuation of PPE has been made on the assumption that the owner sells the items of PPE in the market in its existing state without the benefit of deferred term contracts, leasebacks, joint ventures, management agreements or any similar arrangements which would serve to affect the value of PPE. In addition, no account has been taken of any option or right of pre-emption concerning or affecting the sale of PPE and no allowance has been made for PPE to be sold in one lot or to a single purchaser.

According to the impairment assessment, the recoverable amount of the cash generating unit is higher than the carrying amount, therefore no impairment has been recognised.

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 (2021: 2 years), while motor vehicles generally have lease terms of 3 years (2021: 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
	$	*$*	*$*
As at 1 January 2021	–	1,949,999	1,949,999
Additions	609,226	–	609,226
Depreciation charge	(304,613)	(265,535)	(570,148)
Reclassification to property, plant and equipment *(note 13)*	–	(1,288,880)	(1,288,880)
As at 31 December 2021 and 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)
As at 31 December 2022	–	348,584	348,584

14. LEASES (continued)

The Group as a lessee (continued)

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

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 owing to both segments were sustained operating loss during the year ended 31 December 2022.

Items included in the Group's right-of-use assets were motor vehicles and yard (collectively "ROU assets") with aggregated carrying amount of $348,584 as at 31 December 2022. The recoverable amount of motor vehicles has been determined based on its FVLCD. The Group uses direct comparison approach to estimate FVLCD of the Group's motor vehicles which is based on the recent transaction prices for similar items of motor vehicles adjusted for nature, location, and conditions.

The fair value measurement is categorised into Level 3 fair value hierarchy. The valuation of PPE has been made on the assumption that the owner sells the items of PPE in the market in its existing state without the benefit of deferred term contracts, leasebacks, joint ventures, management agreements or any similar arrangements which would serve to affect the value of PPE. In addition, no account has been taken of any option or right of pre-emption concerning or affecting the sale of PPE and no allowance has been made for PPE to be sold in one lot or to a single purchaser.

For items of yard included in the Group's ROU assets which impairment assessment has been determined based on value-in-use ("VIU") calculation using discounted cash flow ("DCF") method based on the financial budgets approved by the management and valued by an independent professional valuer covering a three-year period which is the lease term of yard, with pre-tax discount rate. Cash flow beyond 3 year period have been extrapolated using estimated growth rate does not exceed the average long-term growth rate for the relevant markets. Set out below the key assumptions adopted in the DCF:

	2022	2021
Gross profit margin (% of revenue)	**5%**	5%
Long term growth rate	**1.5%**	3%
Discount rate	**11.7%**	12%

The above key assumptions were used in the VIU calculation of the Group's trucking and hubbing 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.

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

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

14. LEASES (continued)

The Group as a lessee (continued)

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

Impairment assessment (continued)

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.

Based on the above assessment, the management of the Group have assessed the recoverable amount of the Group's yard employed in the Group's ROU Assets amounting to $348,584 (2021: $700,197) as at 31 December 2022 and impairment loss of $1,379,986 (2021: Nil) had been recognised in the Group's consolidated profit or loss during the year ended 31 December 2022 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	
	2022	2021	**2022**	2021
	S$	*S$*	**S$**	*S$*
Within one year	**674,074**	463,200	**636,588**	452,804
More than one year, but not exceeding two years	**600,000**	74,073	**581,706**	73,403
More than two years, but not more than five years	**250,000**	–	**247,988**	–
	1,524,074	537,273	**1,466,282**	526,207
Less: Future finance charges	**(57,792)**	(11,066)	**N/A**	N/A
Present value of lease obligations	**1,466,282**	526,207		
Less: Amount due for settlement within 12 months (shown under current liabilities)			**(636,588)**	(452,804)
Amount due for settlement after 12 months			**829,694**	73,403

The incremental borrowing rates applied to lease liabilities range from 3.24% to 3.26% (2021: from 3.24% to 3.26%).

All lease payables are denominated in Singapore dollars.

The maturity analysis of lease liabilities is disclosed in note 31 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:

	2022	2021
	$	$
Interest on lease liabilities *(note 6)*	**40,189**	26,163
Depreciation of right-of-use assets	**684,713**	570,148
Expense relating to short-term leases (included in cost of sales)	**872,733**	916,000
Impairment loss of right-of-use assets	**1,379,986**	–
Total amount recognised in profit or loss	**2,977,621**	1,512,311

(d) The total cash outflow for leases and future cash outflows relating to leases that have not yet commenced are disclosed in note 27(c) to the consolidated financial statements.

15. INTANGIBLE ASSETS

	Computer software
	$
Cost:	
At 1 January 2021, 31 December 2021 and 1 January 2022	398,450
Written off during the year	(25,920)
At 31 December 2022	372,530
Accumulated amortisation:	
At 1 January 2021	106,250
Amortisation for the year	79,690
At 31 December 2021 and 1 January 2022	185,940
Amortisation for the year	79,690
Written off during the year	(17,277)
At 31 December 2022	248,353
Net book value:	
At 31 December 2022	124,177
At 31 December 2021	212,510

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 2021	645,151
Credited to profit or loss during the year *(note 10)*	(370,749)
At 31 December 2021 and 1 January 2022	274,402
Credited to profit or loss during the year *(note 10)*	(374,791)
Disposal of a subsidiary	103,988
At 31 December 2022	3,599

Deferred tax assets arising from:

	Provision	Tax benefit available for offsetting against future taxable profits	Total
	$	$	$
At 1 January 2021	4,932	187,600	192,532
Credited to profit or loss during the year *(note 10)*	2,231	25,355	27,586
At 31 December 2021 and 1 January 2022	7,163	212,955	220,118
Credited to profit or loss during the year *(note 10)*	–	8,649	8,649
Disposal of a subsidiary	(1,683)	(214,836)	(216,519)
At 31 December 2022	5,480	6,768	12,248

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 $2,546,959 (2021: $468,012) 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:

	2022 $	2021 $
Net deferred tax assets recognised in the consolidated statement of financial position	**8,649**	297,584
Net deferred tax liabilities recognised in the consolidated statement of financial position	**–**	(351,868)
	8,649	(54,284)

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

17. DEPOSITS AND OTHER RECEIVABLES

	2022 $	2021 $
Non-current:		
Rental deposits	**116,748**	52,500
Deposits paid for acquisition of property, plant and equipment	**1,738,798**	–
	1,855,546	52,500
Current:		
Other receivables	**514,310**	100
Deposits *(Note)*	**772,599**	132,038
	1,286,909	132,138
Less: impairment loss	**(241,903)**	–
	1,045,006	132,138

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 2022 and 2021, the balance of other receivables is unsecured, interest-free and repayable on demand.

17. DEPOSITS AND OTHER RECEIVABLES (continued)

Note: Included in the balance of deposits amounted to S$1,115,976, being (a) refundable deposits of HK$2,300,000 (equivalent $394,884) ("Deposit 1"); (b) HK$2,200,000 (equivalent $377,715) ("Deposit 2") paid to two independent third parties not related to the Group for potential acquisitions respectively; and (c) utility deposits of $343,377.

Deposit 1

On 7 November 2022, Success Elegant Limited ("Success Elegant"), a wholly-owned subsidiary of the Company, entered into a memorandum of understanding ("MOU 1") with an independent third party ("Vendor 1") pursuant to which Success Elegant is required to pay a cash deposit amounted to HK$2,300,000, representing 20% of the intend consideration, as an earnest money in connection with the proposed acquisition of the entire equity interest in a target company ("Target Company 1") incorporated in Hong Kong which is engaging in centralised consignment, local courier and parcel forwarding business ("Proposed Acquisition 1"). The completion of the Proposed Acquisition 1 is subject to the fulfillment of conditions precedent of MOU 1 including satisfaction of due diligence works on Target Company 1 to be conducted and finalised before 31 August 2023. Up to approval date on these consolidated financial statements, the due diligence work on Target Company 1 has yet to be completed.

Deposit 2

On 8 December 2022, Success Elegant entered into a memorandum of understanding ("MOU 2") with an independent third party ("Vendor 2") pursuant to which Success Elegant is required to pay a cash deposit amounted to HK$2,200,000, representing 20% of the intend consideration, as an earnest money in connection with the proposed acquisition of the entire equity interest in a target company ("Target Company 2") incorporated in Hong Kong which is engaged in provision of airfreight, inland customs clearance and door to door services businesses ("Proposed Acquisition 2"). The completion of the Proposed Acquisition 2 is subject to the fulfillment of conditions precedent of MOU 2 including satisfaction of due diligence works on Target Company 2 to be conducted and finalised before 31 August 2023.

Subsequent to the end of the reporting period in March 2023, the Proposed Acquisition 2 was mutually terminated between Success Elegant and Vendor 2 as a result of unsatisfactory due diligence results. Deposit 2 was refunded to Success Elegant in March 2023.

Deposit 1 and Deposit 2 are unsecured, interest free and repayable within 10 and 15 business days respectively, should the proposed acquisitions terminated.

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 S$241,903 (2021: Nil) as at 31 December 2022 under 12m ECL model. As the Group's historical credit loss experience does not indicate significantly different loss patterns for different debtors, the loss allowance based on past due status is not further distinguished between the Group's different debtors. Details of the Group's ECL assessment on deposits and other receivables are set out in note 31 to the consolidated financial statements.

18. TRADE RECEIVABLES

	2022 $	2021 $
External parties	**4,029,426**	3,843,489
Less: impairment losses	**(47,593)**	–
	3,981,833	3,843,489

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

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

	2022 $	2021 $
Less than 30 days	**2,301,292**	2,552,312
31 to 60 days	**1,449,611**	1,140,755
61 to 90 days	**197,500**	137,946
More than 90 days	**33,430**	12,476
Total	**3,981,833**	3,843,489

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 31 to the consolidated financial statements.

19. CONTRACT ASSETS

	31 December 2022 $	31 December 2021 $
Contract assets arising from:		
Trucking services	**41,616**	1,323

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 expected credit loss. 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 31 to the consolidated financial statements.

20. CASH AND BANK BALANCES AND PLEDGED DEPOSITS

	2022 $	2021 $
Cash and bank balances	**2,252,650**	10,065,121
Pledged time deposits	**511,859**	503,642
	2,764,509	10,568,763
Less: Pledged time deposits		
Pledged for bank loans *(note 23(ii))*	**(511,859)**	(503,642)
Cash and bank balances	**2,252,650**	10,065,121

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 $747,201 (2021: $6,131,182) as at 31 December 2022.

21. TRADE PAYABLES

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

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

	2022 $	2021 $
Less than 30 days	**1,012,553**	761,484
31 to 60 days	**235,216**	270,223
61 to 90 days	**3,379**	944
	1,251,148	1,032,651

22. OTHER PAYABLES AND ACCRUALS

	2022 $	2021 $
Accrued liabilities	**878,963**	889,399
GST payable	**64,968**	120,607
Other payables	**41,046**	58,112
	984,977	1,068,118

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

23. BANK BORROWINGS

	2022 $	2021 $
Secured bank loans:		
Within one year or on demand	**847,288**	1,023,645
In the second year	**–**	847,254
	847,288	1,870,899

Notes:

For the year ended 31 December 2022, the effective interest rates of the Group's bank loans at 2% (2021: 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 $533,555 (2021: $563,896) as at 31 December 2022;

(ii) pledged time deposits with carrying amounts of $511,859 (2021: $503,642) as at 31 December 2022; and

(iii) joint and several personal guarantees provided by the Directors.

24. SHARE CAPITAL

The movements in the Company's authorised and issued share capital during the years ended 31 December 2022 and 2021 are as follows:

	Number of ordinary shares	Nominal value of ordinary shares HK$	Share capital (equivalent to S$)
Ordinary share of HK$0.01 each			
Authorised:			
At 1 January 2021, 31 December 2021 and 31 December 2022	5,000,000,000	50,000,000	
Issued and fully paid			
At 1 January 2021	640,000,000	6,400,000	1,106,317
Placing of shares *(note (i))*	128,000,000	1,280,000	221,658
Issue of shares upon exercise of share option *(note (ii))*	12,800,000	128,000	22,231
At 31 December 2021 and 1 January 2022	780,800,000	7,808,000	1,350,206
Issue of shares upon exercise of share option *(note (iii))*	39,040,000	390,400	67,497
Issue of shares upon exercise of share option *(note (iv))*	14,336,000	143,360	24,973
At 31 December 2022	834,176,000	8,341,760	1,442,676

Notes:

(i) On 4 June 2021, the Company and a placing agent entered into a placing agreement in respect of the placement of 128,000,000 ordinary shares of HK$0.01 each at a price of HK$0.118 per share under general mandate, to not less than six placees who are independent third parties to the Group (the "Placement"). The Placement was completed on 21 June 2021. The net proceeds from the Placement amounted to approximately HK$14,625,000 (equivalent to $2,532,563) after deducting expense of approximately HK$479,000 (equivalent to approximately $86,732), under which $221,658 and $2,397,637 were credited to share capital and share premium respectively upon the issue of the new shares. The anticipated net proceeds of $2,532,563 from the Placement would be utilised for the Group's general working capital.

(ii) The subscription rights attaching to 12,800,000 share options were exercised at the exercise price of HK$0.2850 per share (note 26), resulting in the issue of 12,800,000 shares for a total cash consideration, before expenses, of approximately HK$3,648,000 (equivalent to $633,581). An amount of approximately $346,254 was transferred from the option reserve to share premium upon the exercise of the share options.

(iii) The subscription rights attaching to 39,040,000 share options were exercised at the exercise price of HK$0.1056 per share (note 26), 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.

(iv) The subscription rights attaching to 14,336,000 share options were exercised at the exercise price of HK$0.0640 per share (note 26), 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.

(v) 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 2022 and 2021.

25. 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 employees of the Group recognised in accordance with the accounting policy adopted for equity- settled share-based payments in note 2.4 to the consolidated financial statements.

26. 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.

Pursuant to a resolution of the board of directors passed on 21 May 2021, it was resolved to grant an aggregate of 64,000,000 new share options with exercise price of HK$0.2850 per share ("2021 Options") entitling the directors and employees to subscribe for 64,000,000 shares of the Company.

26. 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	On 1 January 2022	No. of share options granted during the year	No. of share options exercised during the year	Lapsed/ cancelled during the year	On 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			

Name of grantee	Date of grant of the options during the reporting period	On 1 January 2021	No. of share options granted during the year	No. of share options exercised during the year	Lapsed/ cancelled during the year	On 31 December 2021	Vesting period	Exercise period	Exercise price per share option *HK$*
Chua Kang Lim	21 May 2021	–	6,400,000	(6,400,000)	–	–	N/A	21 May 2021 to 20 May 2024	0.2850
Chua Sui Feng	21 May 2021	–	6,400,000	(6,400,000)	–	–	N/A	21 May 2021 to 20 May 2024	0.2850
		–	12,800,000	(12,800,000)	–	–			
Employees	21 May 2021	–	51,200,000	–	–	51,200,000	N/A	21 May 2021 to 20 May 2024	0.2850
Total		–	64,000,000	(12,800,000)	–	51,200,000			

26. 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:

	2022		2021	
	Number of options	Weighted average exercise price *HK$*	Number of options	Weighted average exercise price *HK$*
Outstanding at the beginning of the year	51,200,000	0.2850	–	–
Granted during the year	76,800,000	0.0978	64,000,000	0.2850
Exercised during the year	(53,376,000)	0.0978	(12,800,000)	0.2850
Outstanding at the end of the year	74,624,000	0.2287	51,200,000	0.2850
Exercisable at the end of the year	74,624,000	0.2287	51,200,000	0.2850

As at 31 December 2022, options to subscribe for a total of 74,624,000 (2021: 51,200,000) option shares were still outstanding under the Share Option Scheme which represents approximately 8.95% (2021: 6.56%) 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 1.60 years (2021: 2.38 years) and the exercise price is HK$0.2287 (2021: HK$0.2850). The estimated fair values of 2022 and 2021 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	2021 Share Options	
Grantees	Employees	Employees	Directors	Employees
Option price model	Binomial	Binomial	Binomial	Binomial
Estimated fair value at the measurement date	HK$460,861	HK$3,064,647	HK$2,018,040	HK$6,844,960
No. of options granted	14,336,000	62,464,000	12,800,000	51,200,000
Estimated fair value of each option	HK$0.0321	HK$0.0491	HK$0.1577	HK$0.1337
Weighted average share price at the measurement date	HK$0.0640	HK$0.1056	HK$0.2850	HK$0.2850
Weighted average exercise price	HK$0.0640	HK$0.1056	HK$0.2850	HK$0.2850
Exercise multiple	2.2	2.2	2.2	2.75
Expected volatility	124.59%	122.43%	112.59%	112.59%
Expected life	3 years	3 years	3 years	3 years
Risk free rate	2.374%	1.086%	0.19%	0.19%
Expected dividend yield	Nil	Nil	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.

26. 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 and 2021 Share Options.

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

	2022	2021
	S	*S*
2022 option A	**529,849**	–
2022 option B	**80,282**	–
2021 options	**–**	1,520,706
	610,131	1,520,706

On 16 August 2021, a total of 12,800,000 share options were exercised with weighted average share price of HK$0.146 at the date of exercise, resulting the issue of 12,800,000 ordinary shares of the Company and new share capital amounted to HK$128,000 (equivalent to $22,231) (before issue expenses), which further detailed in note 24(ii) to the consolidated financial statements.

During the year, 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 24(iii) & (iv) to the consolidated financial statements.

During the year ended 31 December 2022, there were 76,800,000 (2021: 64,000,000) share options granted and HK$610,131 (2021: HK$1,520,706) were recognised to the consolidated statement of profit or loss.

During the years ended 31 December 2022 and 2021, there were no share option lapsed or cancelled.

27. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

(a) Major non-cash transactions

During the year ended 31 December 2022, the Group entered into certain lease arrangements in respect of yard with a total capital value at the inception of the lease of $1,713,086 (2021: S$609,226), of which, they were non-cash additions.

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

(b) Changes in liabilities arising from financing activities

	Bank borrowings $	Lease liabilities $
At 1 January 2021	5,185,955	562,977
Changes from financing cash flows	(3,406,267)	(672,159)
New leases	–	609,226
Interest expense	91,211	26,163
At 31 December 2021 and 1 January 2022	**1,870,899**	**526,207**
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	**847,288**	**1,466,282**

(c) Total cash outflow for leases

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

	2022 **$**	2021 $
Within operating activities	**872,733**	916,000
Within financing activities	**813,200**	672,159

(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.

27. 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	372,947
Deferred tax assets	320,507
Trade receivables	523,286
Bank and cash balances	113,156
Deposits	47,030
Accruals	(95,253)
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

28. SETTLEMENT GUARANTEE

As at 31 December 2022, settlement guarantee of $670,000 (2021: $695,000) 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 financial institutions and insurance companies under the facility with the Company as the guarantor.

As at 31 December 2022 and 2021, 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.

29. RELATED PARTY TRANSACTIONS

(a) Compensation of key management personnel

	2022 $	2021 $
Remuneration paid to key management personnel (including Directors' remuneration *(note 8)*)	**1,628,993**	1,559,242

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

Save for above, no 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 the directors' 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 2021 and 2022, certain of the Group's banking borrowings were joint and several guaranteed by certain Directors of the Company.

30. 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

	2022 Financial assets at amortised cost $	2021 Financial assets at amortised cost $
Pledged deposits	**511,859**	503,642
Cash and bank balances	**2,252,650**	10,065,121
Trade receivables	**3,981,833**	3,843,489
Deposits and other receivables	**2,900,552**	184,638
Total	**9,646,894**	14,596,890

30. FINANCIAL INSTRUMENTS (continued)

(a) Financial instruments by category (continued)

Financial liabilities

	Financial liabilities at amortised cost $	Financial liabilities at amortised cost $
Trade payables	**1,251,148**	1,032,651
Other payables and accruals	**984,977**	1,068,118
Bank borrowings	**847,288**	1,870,899
Total	**3,083,413**	3,971,668

(b) Fair value of financial instruments

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.

31. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

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

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

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's financial instruments will fluctuate because of changes in market interest rates. The Group's exposure to interest rate risk arises primarily from its bank borrowings and lease liabilities. All of the Group's financial assets and liabilities at floating rates are contractually re-priced at intervals of less than six months from the end of the reporting period.

The Group's policy is to manage interest cost using a mix of fixed and floating rate debts. The Group's policy is to keep 60% to 90% (2021: 60% to 90%) of its bank borrowings at fixed rates of interest for the year. Most of the Group's bank borrowings are at fixed rates of interest as at 31 December 2022.

Sensitivity analysis for interest rate risk

As at the end of the reporting period, if interest rates had been 75 basis points higher for the Group's floating rate debts with all other variables held constant, the Group's loss before tax for the years ended 31 December 2022 and 2021 would have remained substantially unchanged. The assumed movement in basis points for interest rate sensitivity analysis is based on the currently observable market environment, showing a significantly higher volatility as in the prior year.

Credit risk

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 days to 60 days from the date of billing. Debtors with balances that are more than 30 days past due are requested to settle all outstanding balances before any further credit is granted. Normally, the Group does not obtain collateral from customers.

31. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Credit risk (continued)

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.

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 2022

	12-month ECLs	Lifetime ECLs			
	Stage 1	Stage 2	Stage 3	Simplified approach	Total
	$	$	$	$	$
31 December 2022					
Trade receivables*	–	–	–	3,981,833	3,981,833
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	–	–	4,023,449	5,906,964

31. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Credit risk (continued)

Maximum exposure and year-end staging (continued)

As at 31 December 2021

	12-month ECLs	Lifetime ECLs			
	Stage 1 *$*	Stage 2 *$*	Stage 3 *$*	Simplified approach *$*	Total *$*
31 December 2021					
Trade receivables*	—	—	—	3,843,489	3,843,489
Contract assets*	—	—	—	1,323	1,323
Financial assets included in deposits and other receivables					
— Normal**	184,638	—	—	—	184,638
Pledged deposits					
— Not yet past due	503,642	—	—	—	503,642
Cash and cash equivalents					
— Not yet past due	10,065,121	—	—	—	10,065,121
Total	10,753,401	—	—	3,844,812	14,598,213

* For trade receivables and contract assets which the Group applies the simplified approach for impairment, information based on the provision matrix is disclosed in notes 18 and 19 to the consolidated financial statements.

** 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".

31. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Credit risk (continued)

Maximum exposure and year-end staging (continued)

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

	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.

During the year ended 31 December 2022, a charge of S$47,593 (2021:Nil) for impairment provisions of trade receivable recognised in consolidated profit and loss.

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

	2022 $	2021 $
At 1 January	–	–
Impairment losses recognised for the year	47,593	–
At 31 December	47,593	–

31. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Credit risk (continued)

Maximum exposure and year-end staging (continued)

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

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

Expected loss rates are based on actual loss experience. These 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 deposits and other receivables.

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. The Group has assessed that the ECL of deposits and other receivable to be $241,903 (2021: Nil) at the end of reporting period under 12-month ECL model.

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

	2022 $	2021 $
At 1 January	–	–
Impairment loss recognised for the year	241,903	–
At 31 December	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 2022, approximately 81% (2021: 68%) of the Group's trade receivables were due from the top three customers.

31. 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 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 2022			
	1 year or on demand	**1 to 5 years**	**Over 5 years**	**Total**
	$	***$***	***$***	***$***
Trade payable	**1,251,148**	**–**	**–**	**1,251,148**
Other payables and accruals	**984,977**	**–**	**–**	**984,977**
Lease liabilities	**674,074**	**850,000**	**–**	**1,524,074**
Bank borrowings	**847,288**	**–**	**–**	**847,288**
	3,757,487	**850,000**	**–**	**4,607,487**

	31 December 2021			
	1 year or on demand	1 to 5 years	Over 5 years	Total
	$	*$*	*$*	*$*
Trade payable	1,032,651	–	–	1,032,651
Other payables and accruals	1,068,118	–	–	1,068,118
Lease liabilities	463,200	74,073	–	537,273
Bank borrowings	1,091,668	854,836	–	1,946,504
	3,655,637	928,909	–	4,584,546

31. 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. No changes were made in the objectives, policies or processes for managing capital during the years ended 31 December 2022 and 2021.

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% (2021: 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 year.

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:

	2022	2021
	$	*$*
Bank borrowings	**847,288**	1,870,899
Lease liabilities	**1,466,282**	526,207
	2,313,570	2,397,106
Total equity	**13,727,226**	20,908,963
Gearing ratio	**16.9%**	11.5%

32. EVENTS AFTER THE REPORTING PERIOD

On 21 October 2022, the Company proposed to consolidation of every twenty (20) issued and unissued existing shares of par value of HK$0.01 each into one (1) consolidated share of par value of HK$0.2 each ("Share Consolidation") and proposed to change the board lot size for trading in shares on the Stock Exchange from 5,000 shares to 10,000 shares upon the Share Consolidation becoming effective and proposed to raise up to approximately HK$32.5 million on the basis of three (3) rights shares for every one (1) ordinary share(s) of HK$0.2 each in the share capital of the Company, which became effective on 4 January 2023 held on 16 January 2023 ("Record Date") by issuing 125,126,400 rights shares ("Rights Shares") at the subscription price of HK$0.26 per Rights Share (assuming no further issue or repurchase of shares or consolidated shares on or before the Record Date (the "Rights Issue").

The Company and Sorrento Securities Limited ("Placing Agent") entered into a placing agreement ("Placing Agreement") under which the Placing Agent has conditionally agreed to place the unsubscribed Rights Shares and the Rights Share(s) which would otherwise has/have been provisionally allotted to the Excluded Shareholder(s) in nil-paid form that has/have not been sold by the Company on a best effort basis pursuant to the Placing Agreement in accordance with Rule 10.26(2) of the GEM Listing Rules. Completion of the Rights Issue took place on 23 February 2023. The dealings in the Rights Shares commenced on the Stock Exchange on 24 February 2023.

Details of above were set out in the Company's prospectus dated 17 January 2023, the circular dated 9 December 2022 and the Company's announcements dated 21 October 2022, 1 December 2022, 30 December 2022 and 22 February 2023.

The entire net proceeds from the Rights Issue was approximately HK$31.4 million and the Company intended to apply net proceeds from the Rights Issue, as to (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 6 months; and (iii) approximately HK$5.2 million for the working capital for the existing business.

33. 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:

	2022	2021
	$	$
Non-current asset		
Investment in subsidiaries	**8,534,986**	10,283,630
Total non-current asset	**8,534,986**	10,283,630
Current assets		
Deposits and other receivables	**4,515,720**	2,648,695
Prepayments	**53,697**	14,571
Cash and bank balances	**–**	5,160,843
Total current assets	**4,569,417**	7,824,109
Current liabilities		
Other payables and accruals	**267,335**	274,199
Total current liabilities	**267,335**	274,199
Net current assets	**4,302,082**	7,549,910
Net assets	**12,837,068**	17,833,540
Equity		
Share capital	**1,442,676**	1,350,206
Reserves	**11,394,392**	16,483,334
Total equity	**12,837,068**	17,833,540

Approved and authorised for issued by the Board on 31 March 2023.

Chua Kang Lim
Director

Fung Mee Kuen
Director

33. 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 2021	19,773,348	–	(5,391,299)	14,382,049
Placing of shares	2,397,637	–	–	2,397,637
Cost of shares issued under Placement	(86,732)	–	–	(86,732)
Share options issued	–	1,520,706	–	1,520,706
Issue of shares upon exercise of share options	957,604	(346,254)	–	611,350
Loss for the year and total comprehensive loss for the year	–	–	(2,341,676)	(2,341,676)
At 31 December 2021 and 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 for the year and total comprehensive loss for the year	–	–	(6,479,196)	(6,479,196)
At 31 December 2022	24,233,418	1,373,145	(14,212,171)	11,394,392

34. COMMITMENTS

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

	2022 $	2021 $
Purchase items of property, plant and equipment	**1,567,109**	–

35. 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.

	2022 $	2021 $
Later than one year	**700,489**	–

36. COMPARATIVE FIGURES

Certain comparative figures have been restated to reflect the impact of the Share Consolidation and the Rights Issue; and re-classification of lease liabilities previously classified under loan and borrowings as a separate line item of lease liabilities. These restatement and reclassification have no impact on the Group's loss for the year ended 31 December 2022 and the Group's total equity as at 31 December 2022.

37. APPROVAL OF THE FINANCIAL STATEMENTS

These financial statements were approved and authorised for issue by the Board on 31 March 2023.

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				
	2018	2019	2020	2021	**2022**
	S$	*S$*	*S$*	*S$*	***S$***
RESULTS					
Revenue	29,400,494	28,749,270	26,263,891	26,219,156	**26,244,251**
Cost of sales	(24,860,871)	(25,501,065)	(24,764,822)	(24,878,345)	**(27,843,122)**
Gross profit/(loss)	4,539,623	3,248,205	1,499,069	1,340,811	**(1,598,871)**
Other income	410,551	93,058	1,546,602	742,828	**234,855**
Administrative expenses	(4,153,745)	(4,286,455)	(3,977,633)	(5,969,535)	**(5,946,157)**
Allowances for expected credit losses	–	–	–	–	**(289,496)**
Impairment of right-of-use assets	–	–	–	–	**(1,379,986)**
Finance costs	(155,814)	(96,267)	(69,443)	(117,374)	**(68,246)**
Profit/(loss) before tax	640,615	(1,041,459)	(1,001,405)	(4,003,270)	**(9,047,901)**
Income tax (expense)/credit	(173,460)	61,304	189,995	398,335	**383,440**
Profit/(loss) for the year	467,155	(980,155)	(811,410)	(3,604,935)	**(8,664,461)**

	31 December 2018	31 December 2019	31 December 2020	31 December 2021	**31 December 2022**
	S$	*S$*	*S$*	*S$*	***S$***
ASSETS AND LIABILITIES					
TOTAL ASSETS	29,628,282	25,999,235	28,783,966	25,758,706	**18,276,921**
TOTAL LIABILITIES	(8,009,669)	(5,360,777)	(8,956,918)	(4,849,743)	**(4,549,695)**
	21,618,613	20,638,458	19,827,048	20,908,963	**13,727,226**