CHARGING
INTO THE FUTURE

ANNUAL REPORT 2017

CONTENTS

CORPORATE PROFILE

ABOUT BM MOBILITY LTD.

BM Mobility Ltd. is an investment holding company listed on the mainboard of the Singapore Exchange. It is focused on the green energy space in Asia.

BM Mobility Ltd's 65%-held Estar Investments Pte Ltd owns Beijing E-Star Electric Technology Co Ltd, which provides charging equipment and solutions for electric vehicles in China.

Estar Investments Pte Ltd also owns BM Mobility Sdn Bhd, a company in Malaysia that sells and rents out electric scooters to commercial users. BM Mobility Sdn Bhd in turn owns UNiRIDE Ecotour Sdn Bhd, which has exclusive rights to run an electric-vehicle rental business in four public universities in Malaysia.

CHAIRMAN'S **MESSAGE**

Dear Shareholders,

The past year or so has been extremely eventful for BM Mobility Ltd. ("BM Mobility" or the "Company"), with the new board of directors (the "Board") and management team working hard to give the Company a new lease of life after having decided to diversify into the green energy business. In conjunction with our business diversification, we took on our current name, which better reflects our new focus.

Our new business focus is timely as climate change becomes an increasingly pressing issue globally. In seeking to do our part for the environment, we have chosen to target transport and personal mobility. With governments in the US, Europe and increasingly in Asia taking active steps to wean people off fossil-powered cars and encourage greater use of electric vehicles, we believe we are well positioned to ride the upside of this tectonic shift in transportation.

PENETRATING CHINA

Against this backdrop, we planted ourselves in China – the world's largest auto market – with the acquisition in February 2017 of a 45% stake in Estar Investments Pte Ltd ("Estar"), which owns Beijing E-Star Electric Technology Co Ltd ("Beijing E-Star"). Beijing E-Star builds and operates charging stations for electric vehicles. Its 22 charging stations in Beijing are used by the public and electric-car rental companies.

Users of these charging stations can book a slot through a mobile app developed by Beijing E-Star and pay using Beijing E-Star's store-value card or through either Alipay or WeChat Pay, two of the most popular e-wallets in China.

Beijing E-Star has also ventured outside China's capital city to other parts of the country, such as Huizhou in Guangdong and Chengdu in Sichuan, through collaborations with property developers and investment firms. Besides enabling us to expand quicker, such tie-ups also allow us to develop a stream of recurring income in the form of fees we generate from operating these stations.

As China continues to encourage the use of electric vehicles as part of efforts to rein in air pollution, the need for supporting infrastructure such as charging stations can only grow. We believe we are on the right path as demand for our charging stations and related services is expected to increase as more electric vehicles hit the road. Given the immense growth potential, we raised our stake in Estar to 65%. The move to make Estar a subsidiary of BM Mobility was duly approved by shareholders and completed on 2 January 2018.

MAKING HEADWAY IN MALAYSIA

In spite of the huge growth potential in China, we figured that we as a green energy company needed to be in other markets as well since the fight against climate change is a global one. For this reason, Estar formed a wholly-owned subsidiary in Malaysia in August 2017 to import, export and distribute electric vehicles and charging equipment for such vehicles.

Estar had also invested in developing software solutions via BMM Solutions Pte Ltd ("BMM Solutions"). The software will enable UNiRIDE Ecotour Sdn Bhd ("UNiRIDE") to monitor and track vehicle usage and operate an enhanced payment gateway compatible with multiple payment options. With that in mind, we aim to strengthen the fleet management capabilities of UNiRIDE and enable it to expand its fleet of electric scooters in larger quantities.

BM Mobility Sdn Bhd, our Malaysian subsidiary, has dealership agreements to sell electric scooters from various manufacturers. Our target audience in Malaysia is the commercial user, which includes food delivery companies and third-party logistics service providers. We have a showroom in Kuala Lumpur for marketing electric scooters.

In early 2018, we expanded into the vehicle rental business with the acquisition of an electric-vehicle sales agent that owns UNiRIDE. UNiRIDE has exclusive rights to rent out a fleet of Perodua Axia, Malaysia's first energy-efficient car, to students and staff at four public universities – University of Malaya, Universiti Teknologi Mara, Universiti Utara Malaysia and Universiti Teknologi Malaysia. The four universities have more than a quarter of a million students.

UNiRIDE is endorsed by the Ministry of Higher Education and the Malaysia Automotive Institute, which is part of the Ministry of International Trade and Industry. UNiRIDE counts state-owned oil company Petronas, telco Celcom Axiata, insurer Allianz and automaker Perodua as strategic partners.

Shortly after we took over UNiRIDE, we expanded its rental fleet by rolling out electric motor scooters at University of Malaya in Kuala Lumpur. Users can rent the scooters for travel within and around the vicinity of the 750-acre campus, which is the size of more than 770 football fields. University of Malaya has about 20,000 students.

FUNDING OUR GROWTH

To help fund our green energy business, we launched a non-underwritten rights issue in September 2017 that raised net proceeds of S$2.94 million. We issued nearly 936 million warrants at 0.33 Singapore cent each, on the basis of two warrants for every ordinary share held. Each warrant can be converted within three years into an ordinary share at a price of 1 Singapore cent.

FINANCIAL PERFORMANCE

As we have just begun our foray into the green energy business, our latest annual financial results still mainly reflect the performance of the loss-making materials manufacturing operation.

Revenue for the 12 months ended 31 December 2017 ("FY2017") declined 50% from the previous year ("FY2016") to RMB21.6 million due to stiff competition and weak demand for the Company's synthetic rubber products and foamed materials.

Given the highly competitive landscape, we were under pressure from customers to reduce prices even while our production volumes declined. We kept costs down to mitigate this impact. This enabled us to achieve a gross profit of RMB774,000 in FY2017 compared to a gross loss of RMB709,000 in FY2016. We ended FY2017 with a net loss of RMB107.7 million, compared to a net loss of RM155.2 million in FY2016.

With the tighter cost controls and drop in production, selling and distribution expenses fell 47.15% in FY2017. Administrative expenses increased 24.1%, though, due to a one-time compensation package for retrenchments as we downsized the workforce. Other operating expenses amounted to RMB79.2 million, down from RMB126.5 million in FY2016. These expenses comprised allowances for impairment of trade and other receivables, an advance payment to a supplier for the purchase of new equipment and machinery, and a write-down of inventory.

Our non-current assets amounted to RMB6.1 million in FY2017 compared to RMB35.7 million in FY2016. The decline was mainly due to the impairment of land use rights and property, plant and equipment. We had to write off land use rights and buildings as the Land and Resources Bureau of Fujian Province, Quanzhou City, had issued a final notice to Quanzhou Yixian Textile Co Ltd that it was no longer able to use its existing site, which had been left idle for more than two years. The bureau confirmed to the Company in writing in December 2017 that the land use rights were not transferrable.

Current assets decreased by approximately RMB54.6 million from RMB70.9 million in FY2016 to RMB16.3 million in FY2017. The decline was due to stock clearance, a write-down of inventories of approximately RMB4 million, and impairment of trade and other receivables of approximately RMB25.3 million.

Our total liabilities in FY2017 increased by approximately RMB13.6 million to RMB 34.2 million from RMB20.6 million in the previous year. This was largely a result of higher professional fees related to the Company's various corporate actions.

Net cash used in operating activities in FY2017 came to RMB3.7 million, substantially less than the RMB26.0 million for FY2016 as we scaled back manufacturing activity amid weaker demand for our products. As at 31 December 2017, we had RMB3.2 million in cash and cash equivalents, compared to RMB2.8 million as at 31 December 2016.

BOARD RENEWAL

In line with good corporate governance and as part of efforts to bring new ideas to the Company, the Board was reconstituted in 2017 and early this year.

Mr. Ting Chun Yuen stepped down from the Board in January 2018. On behalf of the Board, I thank him for his contributions to the Company over the years and wish him the best in his future endeavours. Mr. Tay Wee Kwang and I were appointed CEO and Executive Chairman respectively in January 2018.

GOING FORWARD

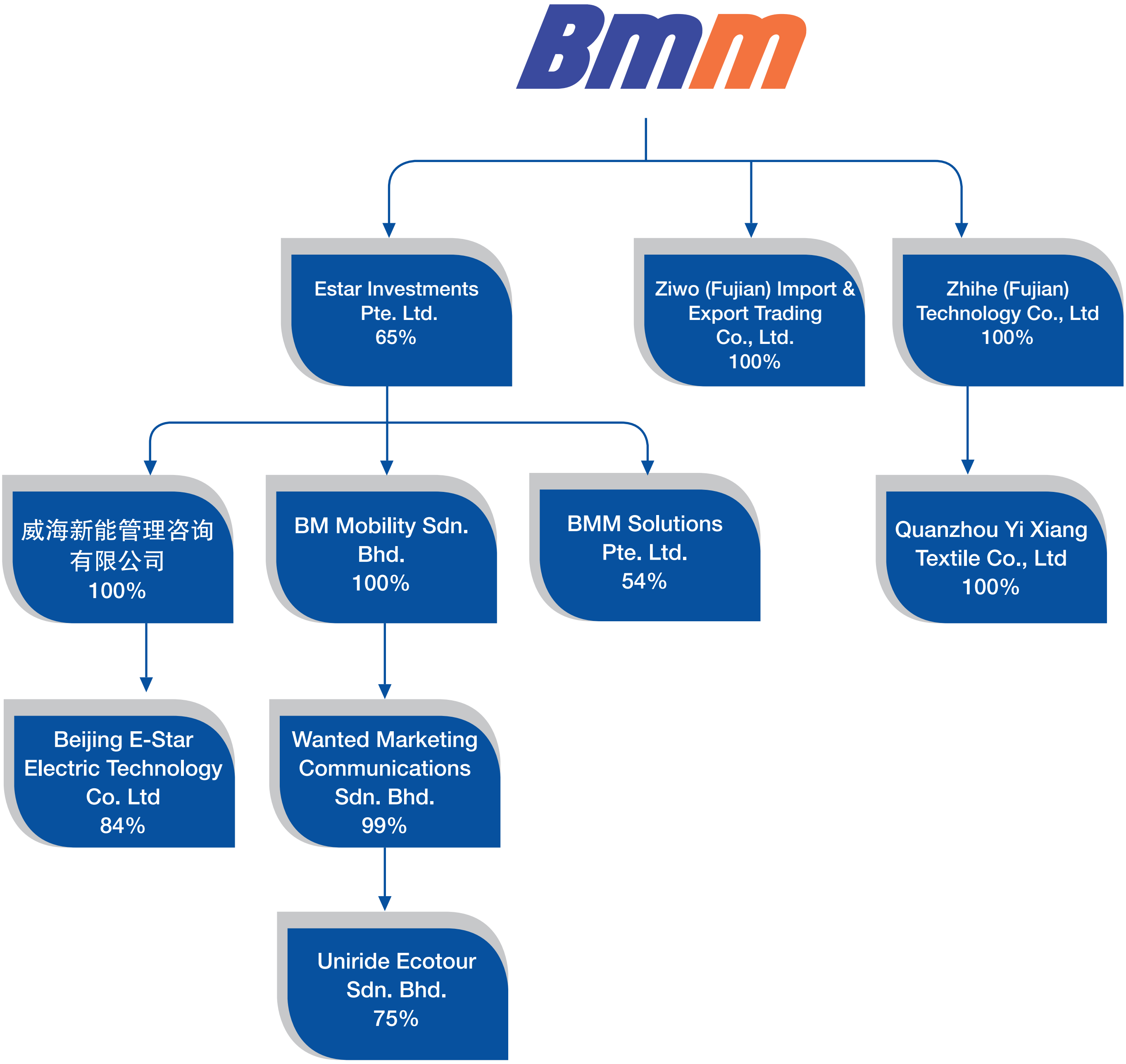
We spent the past year laying the foundation for the long-term growth of this Company. Our ultimate goal is to create value and strong returns for all stakeholders. 2017 was undoubtedly a busy and eventful year, but we expect to do even more this year as we seek to further expand our green energy business in Asia.

I look forward to your continued support.

Koo Ah Seang

Executive Chairman

GROUP STRUCTURE



CORPORATE **INFORMATION**

BOARD OF DIRECTORS

Mr. Koo Ah Seang
Executive Chairman

(appointed as NED on 3 July 2017; redesignated as EC on 18 January 2018)

Mr. Tay Wee Kwang
Executive Director and Chief Executive Officer

(appointed as NED on 3 April 2017; redesignated as ED and CEO on 18 January 2018)

Mr. Soh Beng Keng
Non-Executive Lead Independent Director

(appointed as ID on 25 August 2009)

Mr. Loh Ji Kin
Non-Executive Independent Director

(appointed as ID on 8 May 2017)

Mr. Ting Chun Yuen
Non-Executive Director

(resigned on 4 January 2018)

Mr. Lim Heng Chong Benny
Non-Executive Independent Director

(retired from office during AGM on 27 April 2017)

Mr. Ngan See Juan, John
Independent Non-Executive Director

(retired from office during AGM on 27 April 2017)

AUDIT COMMITTEE

Mr. Soh Beng Keng (Chairman)
Mr. Loh Ji Kin
Mr. Tay Wee Kwang

NOMINATING COMMITTEE

Mr. Tay Wee Kwang (Chairman)
Mr. Soh Beng Keng
Mr. Loh Ji Kin

REMUNERATION COMMITTEE

Mr. Soh Beng Keng (Chairman)
Mr. Loh Ji Kin
Mr. Tay Wee Kwang

COMPANY SECRETARY

Mr. Yap Lian Seng, LL.B. (Hons).

(appointed on 21 February 2017)

Ms. Shirley Tan Sey Liy

(resigned on 31 January 2017)

SHARE REGISTRAR

B.A.C.S. Private Limited
8 Robinson Road
#03-00 ASO Building
Singapore 048544

PRINCIPAL BANKERS

United Overseas Bank Limited, Anson Branch, Singapore
10 Anson Road
#01-01 International Plaza
Singapore 079903

Quanzhou City Commercial Bank, Jinjiang Branch,
Heping Middle Road
Jinjiang City
Fujian Province
The PRC

Industrial Bank Co., Ltd, Quanzhou Xinmen Branch,
No. 157, Xinmen Road
Licheng District
Quanzhou City
Fujian Province
The PRC

INDEPENDENT AUDITOR

RT LLP
Public Accountants and Chartered Accountants
1 Raffles Places
#17-02 One Raffles Place
Singapore 048616
Partner-in-charge: Su Chun Keat

(appointed on 6 February 2015)

BOARD OF **DIRECTORS**

Mr. Koo Ah Seang

Executive Chairman

Mr. Koo was appointed as a Non-Executive Director on 3 July 2017 and re-designated as Executive Chairman on 18 January 2018. Mr. Koo has more than 20 years of experience and knowledge in general and financial management and corporate restructuring. Prior to joining the Group, Mr. Koo has served as Executive Director of several listed companies. Mr. Koo graduated from the University of Auckland (New Zealand) with a Bachelor of Commerce degree. He is a fellow member of the Institute of Singapore Chartered Accountants.

Mr. Tay Wee Kwang

Chief Executive Officer

Mr Tay Wee Kwang was appointed to the board as Non-Executive director on 3 April 2017 and re-designated as Chief Executive Officer on 18 January 2018. Mr Tay has more than 30 years of experience in engineering, the renewable energy business, manufacturing, investments and business development. Mr Tay has served on various boards of companies listed on the Mainboard and Catalist board of SGX-ST. Mr Tay graduated with a Bachelor of Science and Electronics Engineering from Robert Gordon University of Aberdeen and a Master in Business Administration from Hull University of United Kingdom. He has also completed various post graduate studies at NUS for Building Science and Knowledge Engineering.

Mr. Soh Beng Keng

Lead Independent Director

Mr Soh Beng Keng is our Lead Independent Director and was appointed to our Board on 25 August 2009. Mr Soh has more than 30 years of experience in the field of auditing, accounting and financial management in private and listed companies in Singapore. Mr Soh is an independent director of several other listed companies. He is also a full member of the Singapore Institute of Directors and a fellow member of the Institute of Singapore Chartered Accountants. He obtained his Bachelor of Commerce (Accountancy) from the Nanyang University in 1979.

Mr. Loh Ji Kin

Independent Director

Mr Loh Ji Kin is our Independent Director and was appointed to our Board on 8 May 2017. Mr Loh has more than 20 years of audit experience with international accounting firms. He is presently a Director for Assurance with Nexia TS Public Accounting Corporation. Prior to joining Nexia TS, he spent 15 years in Pricewaterhouse Coopers, Singapore. In Nexia TS, he has served both listed and private company clients in statutory audits and other special assignments, including acting as reporting accountants for companies seeking initial public offerings. He obtained his 2nd Upper Honours Bachelor of Accountancy from Nanyang Technological University, and is currently a member of the main Financial Reporting Committee of Institute of Singapore Chartered Accountants and a public accountant and chartered accountant registered with the Accounting and Corporate Regulatory Authority of Singapore.

Mr. Wilson Chua

General Manager for Finance and Administration

Mr. Chua is the group's General Manager for Finance and Administration. Prior to Mr Chua's appointment, he has held various roles in sales and marketing with various multinational corporations over a span of 10 years. In 2012, he joined business advisory firm Alternative Advisors Pte Ltd as a Senior Manager. Over the course of his work at Alternative Advisors, his role included performing financial reviews, supervising accountants to prepare financial statements, reconstructing financial statements, assisting in pre-acquisition/seller due diligence, reviewing business valuations, preparing forecast reviews, reviewing of contracts/agreements, and supervising corporate administration. Mr Chua is a graduate of the University of Western Australia. He graduated with a Bachelor of Economics in Banking, Information Management and E-Commerce. He is also a Chartered Accountant of Singapore.

Fadzili Bin Ahmad Shiyuti

Chief Executive Officer – Uniride Ecotour Sdn. Bhd.

Mr. Fadzili is the Chief Executive Officer of Uniride Ecotour Sdn. Bhd. Prior to Mr. Fadzili's appointment, he was the Chief Technical Officer for CMS Consortium Ecotour Sdn. Bhd. where he oversees the development and project implementation for Kuala Lumpur electric vehicle car sharing program which was launched in May 2015. Mr. Fadzili has over 21 years of experience in automotive industry while working in PROTON since 1994. Over the course of his work at PROTON, his role included performing powertrain components design, conducting technical analysis, overseeing the product development process, managing project deliverables and supervising the strategic planning process for long term powertrain programme. Mr. Fadzili is a graduate of the Hokkaido University in Japan. He graduated with a Bachelor of Engineering (Mechanical) and Master of Engineering (Mechanical). He is also a graduate from University Putra Malaysia (UPM), Malaysia with a Master of Business Administration (Finance).

Wan Ahmad Hasbullah Bin Wan Yusof

Head of Operations – Uniride Ecotour Sdn. Bhd.

Mr. Wan is the Head of Operations of Uniride Ecotour Sdn. Bhd. Prior to Mr. Wan's appointment, he was the Manager for CMS Consortium Ecotour Sdn. Bhd. where he oversees the development and implementation activity of university campus car sharing program in 2016. Mr. Wan has over 12 years of experience in the automotive industry while working in PROTON since 2004. Over the course of his work at PROTON, he was directly involved in the product development and testing process of vehicles and powertrain components, assisting in procurement process for prototype parts and managing powertrain project deliverables for vehicle development programme. Mr. Wan is a graduate of the Universiti Utara Malaysia (UUM), Malaysia with a Bachelor in Information Technology (Network).

CORPORATE GOVERNANCE REPORT AND **FINANCIAL CONTENTS**

BM Mobility Ltd. (formerly known as Ziwo Holdings Ltd.) (the "**Company**") and its subsidiaries (collectively the "**Group**") are committed to maintaining a high standard of measures, practices and transparency in the disclosure of material information in line with those set out in the Code of Corporate Governance 2012 (the "Code") issued by Monetary Authority of Singapore on 2 May 2012.

The Company has established various self-regulating and monitoring mechanisms for effective corporate governance in discharging its responsibilities to protect and enhance shareholder value and financial performance of the Group.

This report describes the Company's corporate governance processes and structures that were in place for the financial year ended 31 December 2017 ("**FY2017**"), with specific reference made to the principles and guidelines of the Code which forms part of the Continuing Obligations of the Singapore Exchange Securities Trading Limited's (the "**SGX-ST**") Listing Manual.

The Board of Directors (the "**Board**") is pleased to report on the Company's efforts to adhere to the principles and guidelines as set out in the Code for FY2017.

The Board confirm the Group has adhered to all principles and guidelines set out in the Code as set out below:

A. Board Matters
B. Remuneration Matters
C. Accountability and Audit
D. Shareholder Rights and Responsibilities

(A) BOARD MATTERS

Board's Conduct of Its Affairs

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

The Board's primary role is to protect and enhance long-term shareholders' value. Its responsibilities are distinct from Management responsibilities. Apart from its fiduciary duties, the Board provides strategic guidance for the Group and supervises executive Management. The Board also establishes policies on matters such as financial control, financial performance and risk management procedures and establishes goals for Management and monitors the achievement of these goals, thereby taking responsibility for the overall corporate governance of the Group.

All Directors objectively discharge their duties and responsibilities at all times as fiduciaries and take decisions in the interests of the Company.

To assist in the execution of its responsibilities, the Board is supported by several Board Committees namely, the Audit Committee ("**AC**"), the Nominating Committee ("**NC**") the Remuneration Committee ("**RC**") and Board Risk Committee ("**BRC**") (collectively "**Board Committees**"). These Board Committees function within clearly defined terms of reference, which are reviewed on a regular basis to ensure their continued relevance.

Over the course of FY2017, the Board has met four times to review and evaluate the Company's operations and performance and address key policy matters. Ad-hoc meetings will be convened when circumstances so require. The schedule of all the Board and Board Committees meetings for the calendar year is usually given to all the Directors well in advance. Ad-hoc meetings are convened at such other times as may be necessary to address any specific significant matters that may arise. Important matters concerning the Group are also put to the Board for its decision by way of written resolutions. The frequency of meetings and attendance of each Director at every Board and Board Committees meeting are disclosed in this Report. The Constitution of the Company allow for participation in Board meetings via audio or video conferencing.

The attendance of the Directors at Board meetings and Board Committees meetings held during FY2017 are as follows:

Name of Director	Board		Audit Committee		Nominating Committee		Remuneration Committee	
	No. of meetings Held	No. of meetings Attended	No. of meetings Held	No. of meetings Attended	No. of meetings Held	No. of meetings Attended	No. of meetings Held	No. of meetings Attended
Koo Ah Seang (1)	4	2	4	2*	1	0	1	0
Tay Wee Kwang (2)	4	3	4	3	1	0	1	0
Soh Beng Keng	4	4	4	4	1	1	1	1
Loh Ji Kin (3)	4	3	4	3	1	0	1	0
Ting Chun Yuen (4)	4	2	4	2*	1	1	1	1*
Lim Heng Chong Benny (5)	4	1	4	1	1	1	1	1
Ngan See Juan (6)	4	1	4	1	1	1	1	1

* *Attended as invitee.*

(1) Mr. Koo Ah Seang was appointed as Non-Executive Director of the Company with effect from 3 July 2017. With effect from 18 January 2018, he was re-designated as Executive Chairman.

(2) Mr. Tay Wee Kwang was appointed as Non-Executive Director of the Company with effect from 3 April 2017. With effect from 18 January 2018, he was re-designated as Executive Director and Chief Executive Officer.

(3) Mr. Loh Ji Kin was appointed as Independent Director of the Company with effect from 8 May 2017.

(4) Mr. Ting Chun Yuen was re-designated as Non-Executive Director on 20 October 2017 and has resigned as a Non-Executive Director of the Company with effect from 4 January 2018.

(5) Mr. Lim Heng Chong Benny has retired from office with effect from 27 April 2017 and did not seek for re-election as Independent Director of the Company at the annual general meeting of the Company held on 27 April 2017.

(6) Mr. Ngan See Juan has retired from office with effect from 27 April 2017 and did not seek for re-election as Independent Director of the Company at the annual general meeting of the Company held on 27 April 2017.

The Board had adopted a set of internal guidelines setting forth matters that require Board's approval. Matters which are specifically reserved to the full Board for decision are those involving a conflict of interest of a substantial shareholder or a Director, material acquisitions, disposal of assets, operating budgets and capital expenditure, corporate or financial restructuring, share issuances, declaration of dividends and other returns to shareholders and matters which require Board approval as specified under the Company's interested person transaction policy.

The Directors are also updated regularly with changes to the SGX-ST Listing Rules, risk management, corporate governance, insider trading and the key changes in the relevant regulatory requirements and financial reporting standards and the relevant laws and regulations to facilitate effective discharge of their fiduciary duties as Board or Board Committees members.

New releases issued by the SGX-ST and Accounting and Corporate Regulatory Authority ("**ACRA**") which are relevant to the Directors are circulated to the Board. The Company Secretary informs the Directors of upcoming conferences and seminars relevant to their roles as Directors of the Company. Annually, the external auditors update the AC and the Board on the new and revised Singapore financial reporting standards that are applicable to the Company or the Group.

The Company has an orientation programme for all new Directors, and also for Directors to attend any appropriate training programme in order to discharge their duties as Directors. Directors also have the opportunity to visit the Group's operational facilities and meet with the Management to gain a better understanding of the Group's business operations.

The Directors are encouraged to attend seminars and receive training to improve themselves in the discharge of Directors' duties and responsibilities. Changes to regulations and accounting standards are monitored closely by the Management. To keep pace with such regulatory changes, the Company provides opportunities for ongoing education and training on Board processes and best practices as well as updates on changes in legislation and financial reporting standards, regulations and guidelines from the SGX-ST Listing Rules that affect the Company and/or the Directors in discharging their duties.

Newly appointed Directors will be briefed by the Management on the business activities of the Group, governance policies, policies on disclosure of interests in securities, the rules relating to disclosure of any conflict of interest in a transaction involving the Company, prohibitions in dealing in the Company's securities and restrictions on disclosure of price sensitive information. In addition, the Management regularly updates and familiarises the Directors on the business activities of the Company during the Board meetings.

A formal letter of appointment would be furnished to every newly-appointed Director upon their appointment explaining, among other matters, their roles, obligations, duties and responsibilities as member of the Board.

Board Composition and Guidance

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

As at end of FY2017, the Board comprises two (3) Non-Executive Directors, and two (2) Independent Directors:

Name of Director	Board	Audit Committee	Nominating Committee	Remuneration Committee
Koo Ah Seang (1)	Non-Executive Director	–	–	–
Tay Wee Kwang (2)	Non-Executive Director	Member	Chairman	Member
Soh Beng Keng (3)	Lead Independent Director	Chairman	Member	Chairman
Loh Ji Kin (4)	Independent Director	Member	Member	Member
Ting Chung Yuen (5)	Non-Executive Director	–	–	–

(1) Mr. Koo Ah Seang was appointed as Non-Executive Director of the Company with effect from 3 July 2017. With effect from 18 January 2018, he was re-designated as Executive Chairman.

(2) Mr. Tay Wee Kwang was appointed as Non-Executive Director of the Company with effect from 3 April 2017. With effect from 18 January 2018, he was re-designated as Executive Director and Chief Executive Officer.

(3) Mr. Soh Beng Keng was appointed as Lead Independent Director of the Company with effect from 25 August 2009.

(4) Mr. Loh Ji Kin was appointed as Independent Director of the Company with effect from 8 May 2017.

(5) Mr. Ting Chun Yuen was re-designated as Non-Executive Director on 20 October 2017 and has resigned as a Non-Executive Director of the Company with effect from 4 January 2018.

There is presently a strong and independent element on the Board as over half of the Board comprises Independent Directors and the independence of each Director is reviewed by the NC. The criteria for independence are determined based on the definition as provided in the Code and the independence of each Director is reviewed annually by the NC. The Board considers an Independent Director as one who has no relationship with the Company, its related companies or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the Directors' independent judgement of the Group's affairs. With majority of the Board being Independent Directors, the Board is able to exercise independent judgment on corporate affairs and provide Management with diverse and objective perspective on issues. The NC has reviewed the independence of each Independent Director for FY2017 and is of the view that these Directors are independent.

There is no Independent Director who has served on the Board beyond nine years from the date of his first appointment.

Board Size

The Board considers that the present Board size and number of Board Committees facilitate effective decision-making and are appropriate for the nature and scope of the Company's operations. The Board will constantly examine its size with a view to determining its impact upon its effectiveness.

Board Experience

The Directors appointed are qualified professionals who, as a group, possess a diverse range of expertise to provide core competencies such as accounting or finance, legal, business or management experience, industry knowledge and strategic planning experience.

The Independent Directors exercise no Management functions in the Group. The role of the Non-Executive Directors and Independent Directors is particularly important in ensuring that the strategies proposed by the Management are fully discussed and rigorously examined and reviewing the performance of the Management in meeting agreed goals and objectives and monitor the reporting of performance.

The Company co-ordinates informal meeting sessions for Independent Directors to meet on need basis without the presence of the Management to discuss matters such as the Group's financial performance, corporate governance initiatives, Board processes, succession planning as well as leadership development and the remuneration of the Executive Directors.

Profiles of the Board are set out on pages 6 to 7 "Board of Directors" section of this Annual Report.

Chairman and CEO

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

Mr. Koo Ah Seang ("Mr. Koo") was appointed as Non-Executive Director of the Company with effect from 3 July 2017. With effect from 18 January 2018, he was re-designated as Executive Chairman.

As the Chairman, he is responsible in:

1. leading the Board to ensure its effectiveness on all aspects of its role and setting its agenda;
2. ensuring that the Directors receive accurate, timely and clear information;
3. ensuring effective communication with Shareholders;
4. encourage constructive relations between the Board and Management;
5. facilitate the effective contribution of Non-Executive Directors; and
6. promote high standards of corporate governance.

The Company Secretary may be called to assist the Executive Chairman in any of the above.

Mr. Tay Wee Kwang ("Mr. Tay") was re-designated as Chief Executive Officer on 18 January 2018. As CEO, Mr. Tay is responsible for the overall management, strategic direction, and the day-to-day operations of the Group and ensuring that the Group's organisational objectives are achieved.

Although the roles and responsibilities of the Executive Chairman and CEO are vested with Mr. Koo and Mr. Tay, major decisions are made in consultation with the Board, where half of the Board comprises Independent Directors. The Board is of the opinion that the process of decision making by the Board has been independent and has been based on collective decisions without any individual or small group of individuals dominating the Board's decision making.

<u>**Lead Independent Director**</u>

The Company is in compliance with the Guideline 3.3 of the Code where Mr. Soh Beng Keng, Chairman of the AC, is the Lead Independent Director. Where a situation arises that may involve conflicts of interest between the roles of Chairman and CEO, it is the Lead Independent Director's responsibility, together with the other Independent Directors, to ensure that shareholders' rights are protected. Our Lead Independent Director is available to our shareholders who have concerns when contact through the normal channels of our Executive Chairman and CEO or Chief Financial Officer ("CFO") has failed to resolve such concerns or when circumstances are such that it would be more appropriate to contact him directly.

The Independent Directors, led by the Lead Independent Director, meet amongst themselves without the presence of the other Directors where necessary and the Lead Independent Director will provide feedback to the Chairman after such meetings.

Board Membership

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

The Board, through the delegation of its authority to the NC, has used its best efforts to ensure that Directors appointed to the Board possess the relevant background, experience and knowledge in business, finance and management skill to enable the Board to make effective decision makings.

As at the end of FY2017, the NC comprise of one (1) Non-Executive Director, and two (2) Independent directors:

<u>**Nominating Committee**</u>

Mr. Tay Wee Kwang (Chairman)
Mr. Soh Beng Keng
Mr. Loh Ji Kin

Based on the written terms of reference approved by the Board, the principal functions of the NC are to:

- Review the structure, size and composition of the Board and make recommendations to the Board with regard to any adjustments that are deemed necessary;
- Identify and nominate for the approval of the Board, candidates to fill board vacancies as and when they arise;
- Determine annually the independence of a Director;
- Review the ability of a Director to adequately carry out his duties as Director when he has multiple Board representations;
- Recommend to the Board the re-election and re-appointment by shareholders of any Director under the 'retirement by rotation' provisions in the Company's Constitution and the "retirement by age" provisions in the Companies Act respectively; and
- Assess the effectiveness of the Board as a whole.

<u>**Process for Selection, Appointment and Re-appointment of Directors**</u>

In selecting and appointing Directors (including new Directors), the NC will, at least once every year, review and thereafter, make recommendations to the Board regarding the Board structure, size, composition and core competencies. The NC will review and make recommendations to the Board on all candidates nominated for appointment to the Board, after taking into account the candidate's track record, age, experience, capabilities and other relevant factors.

The NC, in considering the re-appointment of any Director, had considered but not limited to attendance record at meetings of the Board and Board committees, intensity of participation at meetings, and the quality of contributions to the development of strategy, the degree of preparedness, industry and business knowledge and experience each Director possess which are crucial to the Group's business.

In accordance with the Constitution of the Company, each Director shall retire by rotation and all Directors appointed by the Board will have to retire at the next Annual General Meeting ("**AGM**") following their appointments (such Director shall then be eligible for re-election at that AGM).

The NC has recommended to the Board that Mr. Soh Beng Keng, who shall retire pursuant to Article 91 of the Constitution of the Company, as well as Mr. Koo Ah Seang and Mr. Loh Ji Kin, who shall retire pursuant to Article 97 of the Constitution of the Company, be nominated for re-election ("**Retiring Directors**") at the forthcoming AGM. The Board had accepted the NC's recommendation and the Retiring Directors will be offering themselves for re-election.

For the avoidance of doubt, Mr. Koo Ah Seang, Mr. Soh Beng Keng and Mr. Loh Ji Kin, who are retiring at the forthcoming AGM, have abstained from voting on NC and Board resolutions in respect of their respective re-election.

In reviewing the nomination of the Retiring Director, the NC considered the performance and contribution of the Retiring Director, having made regard not only to his attendance and participation at Board and Board Committees meetings but also the time and efforts devoted to the Group's business and affairs.

Directors' Independence Review

The NC conducted an annual review of Directors' independence and based on the definition of independence set out in the Code, the NC is of the view that Mr. Soh Beng Keng and Mr. Loh Ji Kin are considered independent.

Directors' Time Commitment and Multiple Directorships

Despite some of the Directors having other Board representations, the NC is satisfied that these Directors are able to and have adequately carried out their duties as Directors of the Company. Currently, the Board has not determined the maximum number of listed Board representations which any Director may hold because the Board believes that each director has to personally determine the demands of his or her competing directorships and obligations and assess how much time is available to serve on the Board effectively. The Board and the NC are of the opinion that in determining whether a Director is able to devote sufficient time to discharge his duties, the assessment should not be restricted to the number of board representations of each Director and their other principal commitments. Instead, the suitability of a Director should be assessed holistically, taking into account the level of Directors' participation in the Company, including his contributions and during meetings of the Board and relevant Board Committee and his attendance at such meetings. That being said, the NC and the Board will review the requirement to determine the maximum number of listed Board representations as and when it deems fit.

The key information regarding Directors such as academic and professional qualifications, Board Committees served, directorships or chairmanships both present and past held over the preceding three years in other listed companies and other major appointments, whether the appointment is executive or non-executive are set out on pages 24 to 25 of the Annual Report.

Directors' Interests in the Company

BM Mobility Ltd.	**Direct Interest**		**Deemed Interest**	
	No. of Shares	**% of Issued Shares**	**No. of Shares**	**% of Issued Shares**
Directors				
Koo Ah Seang [(1)]	31,484,000	6.73	–	–
Tay Wee Kwang [(2)]	35,101,000	7.50	–	–
Soh Beng Keng	200,000	0.04	–	–
Loh Ji Kin [(3)]	–	–	–	–
Ting Chun Yuen [(4)]	850,000	0.18	40,079,920	8.57
Lim Heng Chong Benny [(5)]	200,000	0.04	–	–
Ngan See Juan [(6)]	–	–	–	–

(1) Mr. Koo Ah Seang was appointed as Non-Executive Director of the Company with effect from 3 July 2017. With effect from 18 January 2018, he was re-designated as Executive Chairman.

(2) Mr. Tay Wee Kwang was appointed as Non-Executive Director of the Company with effect from 3 April 2017. With effect from 18 January 2018, he was re-designated as Executive Director and Chief Executive Officer.

(3) Mr. Loh Ji Kin was appointed as Independent Director of the Company with effect from 8 May 2017.

(4) Mr. Ting Chun Yuen was re-designated as Non-Executive Director on 20 October 2017 and has resigned as a Non-Executive Director of the Company with effect from 4 January 2018. As at 15 January 2018, Sky Upright Holdings Limited, an investment company incorporated in the British Virgin Islands and wholly owned by Mr. Ting Chun Yuen directly held 14,566,600 shares. Mr. Ting Chun Yuen is deemed to be interested in all shares held by Sky Upright Holdings Limited by virtue of Section 7 of the Companies Act. Please note that Mr. Ting Chun Yuen has ceased being a substantial shareholder of the Company as at 15 January 2018. The information provided herein is for information only.

(5) Mr. Lim Heng Chong Benny has retired from office with effect from 27 April 2017 and did not seek for re-election as Independent Director of the Company at the annual general meeting of the Company held on 27 April 2017.

(6) Mr. Ngan See Juan has retired from office with effect from 27 April 2017 and did not seek for re-election as Independent Director of the Company at the annual general meeting of the Company held on 27 April 2017.

Board Performance

Principle 5: There should be a formal annual assessment of the effectiveness of the Board as a whole and its board committees and the contribution by each Director to the effectiveness of the Board.

While the Code recommends that the NC be responsible for assessing the Board as a whole and its Board Committees and also assessing the individual evaluation of each Directors' contribution, the NC is of the view that it is more appropriate and effective to assess the Board as a whole, bearing in mind that each member of the Board contributes in different ways to the success of the Company and Board decisions are made collectively.

The Board and Board Committees have implemented a process for assessing the effectiveness of the Board as a whole and each Board Committee respectively. Each Director was required to complete the board evaluation forms adopted by the NC and the Board Committees' evaluation forms adopted by the AC, NC and RC, which will be collated by the Chairman for review or discussion. The NC focuses on a set of performance criteria which includes the evaluation of the size and composition of the Board and its Board Committees, the access to information, processes and accountability, performance in relation to discharging its principal responsibilities and the Directors' standards of conduct in assessing the Board's performance as a whole. Following the review, the Board is of the view that the Board and its Board Committees operate effectively and each Director is contributing to the overall effectiveness of the Board. No external facilitator was used during the evaluation process in FY2017.

The Board has taken the view that the financial indicators, may not be appropriate as these are more of a measurement of Management's performance and therefore less applicable to Directors.

Although the Directors are not evaluated individually, the factors taken into consideration with regards to the re-nomination of Directors for FY2017 are based on their attendance and contributions made at the Board and Board Committees meetings.

Access to Information

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

The Board has separate and independent access to the Senior Management and the Company Secretary at all times. Requests for information from Board are dealt with promptly by the Management and the Board has unrestricted access to the Company's records and information. The Board is informed of all material events and transactions as and when they occur. The Management provides the Board with quarterly reports of the Group's performance. The Management also consults with Board members regularly whenever necessary and appropriate. The Board is issued with Board papers which include financial, business and corporate matters of the Group timely and prior to Board meetings to enable the Directors to oversee the Group's operational and financial performance. The Directors are also informed of any significant developments or events relating to the Group.

Company Secretary

The Company Secretary or his representatives administers all Board and Board Committees meetings and prepares minutes of Board and Board Committees meetings and assists the Chairman in ensuring that Board procedures are followed and reviewed in accordance with the Company's Constitution so that the Board functions effectively and the relevant rules and regulations applicable to the Company are complied with. The Company Secretary or his representatives' role is to advise the Board on all governance matters, ensuring that legal and regulatory requirements as well as board policies and procedures are complied with. The appointment and removal of the Company Secretary is subject to the approval of the Board.

Independent Professional Advice

The Directors either individually or as a group may seek independent professional advice in furtherance of their duties. The costs of such service will be borne by the Company.

(B) REMUNERATION MATTERS

Procedures for Developing Remuneration Policies

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

As at the end of FY2017, the RC comprise of one (1) Non-Executive Director, and two (2) Independent directors:

Remuneration Committee

Mr. Soh Beng Keng (Chairman)
Mr. Tay Wee Kwang
Mr. Loh Ji Kin

The members of the RC carried out their duties in accordance with the terms of reference which include recommending to the Board, a framework of remuneration for each Director.

The RC is regulated by its terms of reference and its key functions include:

- Reviewing and recommending to the Board a framework of remuneration and specific remuneration packages for all directors of the company;
- Reviewing the service contracts of the Executive Directors;
- Reviewing and enhancing the compensation structure with incentive performance base for key executives; and
- Overseeing the general compensation of employees of the Group with a goal to recruit, motivate and retain employees and directors through competitive compensation and progressive policies.

The RC recommends to the Board a framework for the remuneration for the Board and key executives and to determine specific remuneration packages for each Executive Director and key executive. The RC's recommendations are made in consultation with the Chairman of the Board and submitted for endorsement by the entire Board. No Director is involved in deciding his own remuneration.

Non-Executive Directors are paid at fixed fees as Directors' fees. The fee is subject to shareholders' approval at the AGM.

The RC has access to seek external or other independent professional advice externally or within the Company with regard to remuneration matters where deem necessary. The expense of such services shall be borne by the Company.

In reviewing the service agreements of the Executive Directors and key management personnel of the Company, the RC will review the Company's obligations arising in the event of termination of these service agreements, to ensure that such service agreements contain fair and reasonable termination clauses which are not overly generous. The RC aims to be fair and avoid rewarding poor performance.

Level and Mix of Remuneration

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

The remuneration policy of the Company is to provide compensation packages at market rates, which reward successful performance and attract, retain and motivate Directors and Senior Management.

The Executive Directors' and key Senior Management's remuneration packages are based on service agreements and their remuneration is determined by having regard to the performance of the individuals, the Group and industry benchmarks. The remuneration package for the Executive Directors and key Senior Management staff are made up of both fixed and variable components. The variable component is determined based on the performance of the individual employee as well as the Group's performance. The Company's only Executive Director, Mr. Ting, was re-designated as Non-Executive Director with effect from 20 October 2017. Mr. Ting's service agreement as Executive Director was terminated. In FY2017, no replacement Executive Director was appointed. On 18 January 2018, Mr. Koo was appointed Executive Chairman and Mr. Tay as CEO; new service agreements were given Mr. Koo and Mr. Tay respectively. The service agreements can be terminated by either party giving not less than six months' notice in writing. The Executive Directors do not receive Directors' fees.

Non-Executive Directors and Independent Directors are paid Directors' fees of an agreed amount based on their contributions, taking into account factors such as effort and time spent, and the respective responsibilities of the Directors. Directors' fees are recommended by the Board for approval at the Company's AGM.

The Company does not use contractual provisions to allow the Company to reclaim incentive components of remuneration from Executive Directors and key management personnel in exceptional circumstances of misstatement of financial results, or of misconduct resulting in financial loss to the Company. The Executive Directors owe a fiduciary duty to the Company. The Company should be able to avail itself to remedies against the Executive Directors in the event of such breach of fiduciary duties.

Disclosure on Remuneration

Principle 9: ***Each company should provide clear disclosure of its remuneration policies, level and mix of remuneration, and the procedure for setting remuneration in the Company's annual report. It should provide disclosure in relation to its remuneration policies to enable investors to understand the link between remuneration paid to Directors and key management personnel, and performance.***

Breakdown of each individual Director's remuneration, in percentage terms showing the level and mix for FY2017, are as follows:

Name of Directors	Salary	Bonus	Directors' fees	Total
	%	%	%	%
<u>Below S$250,000</u>				
Koo Ah Seang	–	–	–	–
Tay Wee Kwang	–	–	–	–
Soh Beng Keng	–	–	100	100
Loh Ji Kin	–	–	100	100
Ting Chun Yuen	100	–	–	100
Lim Heng Chong Benny	–	–	100	100
Ngan See Juan	-	-	100	100

Details of remuneration paid to key management personnel of the Group (who are not Directors or CEO) for FY2017 are set out below:

Name of Key Management Personnel	Salary	Bonus	Others	Total
	%	%	%	%
<u>Below S$150,000</u>				
Mr. Vincent Lim	–	–	100	100
Mr. Wilson Chua	100	–	–	100
Madam Wong Kim Chu	100	–	–	100
Mr. Wang Jianhong	100	–	–	100

There were no termination, retirement or post-employment benefits granted to Directors and key management personnel other than the standard contractual notice period termination payment in lieu of service for FY2017.

Immediate Family Members of Directors

The employees who are immediate family members of the Directors are as follows, and whose remuneration does not exceed S$50,000 for FY2017:

1. Madam Wong Kim Chu is the spouse of Mr. Ting Chun Yuen
2. Mr. Wang Jianhong is the brother-in-law of Mr. Ting Chun Yuen

Save for the above disclosure, the Company does not have any employee who is an immediate family member of a Director or the CEO who remuneration during FY2017 exceeded S$50,000.

In view of confidentiality of remuneration matters, the Board is of the opinion that it is in the best interests of the Group not to disclose the exact remuneration of the Directors and key management personnel in the annual report as the Company does not believe it to be in its interest to disclose the breakdown of each individual's remuneration as such, having regard to the highly competitive human resource environment, the confidential nature of staff remuneration matters and so as not to hamper the Company's efforts to retain and nurture its talent pool. For the same reasons, the Company does not believe it to be in its best interest to disclose the key performance indicators that are linked to the remuneration package, including any termination, retirement and post-employment benefits.

(C) ACCOUNTABILITY AND AUDIT

Accountability

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

The Board is accountable to shareholders for the Management of the Group. The Board updates shareholders on the operations and financial position of Company on a quarterly basis when it releases its results announcements as well as timely announcements of other matters as prescribed by the relevant rules and regulations. The Management is accountable to the Board by providing the Board with the necessary financial information of the Group's performance, position and prospects on a regular basis and when deemed appropriate by particular circumstances for the discharge of its duties.

In line with the SGX Listing Rules, the Board provides a negative assurance statement to the shareholders in respect of the interim financial statements. For the financial year under review, the CEO and the CFO have provided assurance to the Board on the integrity of the Group's financial statements.

The Management maintains regular contact and communication with the Board by various means including the preparation and circulation to all Board members of quarterly and full year financial statements of the Group. This allows the Board to monitor the Group's performance and position as well as the Management's achievements of the goals and objectives determined and set by the Board.

The Board reviews and approves the results and announcements before its release via SGXNet.

RISK MANAGEMENT AND INTERNAL CONTROLS

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

The Board oversees the design of and ensures that Management implements and maintains a sound system of internal controls and effective risk management policies to safeguard shareholders' investments and the Group's assets.

The Board annually reviews the adequacy and effectiveness of the Company's risk management and internal control systems. For the period under review, based on the internal controls established and maintained by the Group, work performed by the external auditors, and regular reviews performed by Management, the Board, with the concurrence of the AC, is of the opinion that the Group's internal controls, addressing financial, operational, compliance and information technology controls, and risk management were adequate to provide reasonable assurance of the integrity and effectiveness of the Company in safeguarding its assets and shareholders' value as at 31 December 2017.

The system of internal controls provides reasonable, but not absolute assurance that the Group will not be adversely affected by any event that could be reasonably foreseen as it strives to achieve its business objectives.

However, the Board notes that no system of internal controls could provide absolute assurance against the occurrence of material errors, poor judgment in decision-making, human error, losses, fraud or other irregularities.

The Board had received assurance from the Executive Chairman that:

- the financial records as at 31 December 2017 have been properly maintained and the financial statements for FY2017 give a true and fair view of the Company's operations and finances; and
- the Company's risk management and internal control systems in place are adequate and effective.

Audit Committee

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

As at the end of FY2017, the AC comprise of one (1) Non-Executive Director, and two (2) Independent directors:

Audit Committee

Mr. Soh Beng Keng (Chairman)
Mr. Tay Wee Kwang
Mr. Loh Ji Kin

The AC has written terms of reference, setting out their duties and responsibilities, which include the following:

- monitor the integrity of the financial information provided by the Company;
- assess, and challenge, where necessary, the correctness, completeness, and consistency of financial information (including interim reports) before submittal to the Board for approval or made public;
- review any formal announcements relating to the Company's financial performance;
- discuss problems and concerns, if any, arising from the interim and final audits, in consultation with the external auditors and the internal auditors where necessary;

- assess the adequacy and effectiveness of the internal controls (including financial, operational, compliance, information technology controls and risk management) systems established by Management to identify, assess, manage, and disclose financial and non-financial risks (including those relating to compliances with existing legislation and regulation) at least once a year in compliance with Guideline 12.4 of the Code;

- review and ensure that the assurance has been received from the CEO (or equivalent) and the CFO (or equivalent) in relation to the interim/financial unaudited financial statement;

- review Management's and the internal auditors' reports on the effectiveness of the systems for internal control, financial reporting, and risk management;

- monitor and assess the role and effectiveness of the internal audit function in the overall context of the company's risk management system;

- in connection with the terms of engagement to the external auditors, to make recommendations to the Board on the selection, appointment, reappointment, and resignation of the external auditors based on a thorough assessment of the external auditors' functioning, and approve the remuneration and Terms of Engagement of the external auditors;

- monitor and assess the external auditors' independence and keep the nature and extent of non- audit services provided by the external auditors under review to ensure the external auditors' independence or objectivity is not impaired;

- assess, at the end of the audit cycle, the effectiveness of the audit process;

- review interested person transactions to consider whether they are on normal commercial terms and are not prejudicial to the interests of the company or its minority shareholders; and

- review the Company's procedures for detecting fraud and whistle-blowing, and ensure that arrangements are in place by which staff may, in confidence, raise concerns about possible improprieties in matters of financial reporting, financial control, or any other matters.

The AC assists the Board to maintain a high standard of Corporate Governance, particularly by providing an independent review of the effectiveness of the financial reporting, management of financial and control risks, and monitoring of the risk management and internal controls systems.

The Board is of the view that the members of the AC, collectively, are appropriately qualified to discharge their responsibilities. Mr. Soh Beng Keng is a fellow member of the Institute of Singapore Chartered Accountants. Mr. Loh Ji Kin is a public accountant and chartered accountant registered with the Accounting and Corporate Regulatory Authority of Singapore. Mr. Tay Wee Kwang is an Engineer; He has served on various boards of companies listed on the Mainboard and Catalist board of SGX-ST.

The AC has explicit authority to investigate any matter within its terms of reference. The AC has full access to and cooperation of the Management and external auditors, RT LLP. The AC convened four meetings during the year. It also has the discretion to invite any Director or Management to attend its meetings.

The AC has recommended to the Board that RT LLP be nominated for reappointment as external auditors at the forthcoming AGM of the Company. The Company confirmed that Rule 712, Rule 715 and Rule 716 of the Listing Manual of the SGX-ST had been complied in relation to its auditing firms. No former partner or Director of RT LLP has acted as a member of the AC, and none of the members of the AC hold any financial interest in RT LLP.

The AC meets with the external auditors and internal auditors without the presence of the Management at least once a year. The AC conducted a review of all non-audit services provided by the external auditors and is satisfied that the nature and extent of such services does not prejudice the independence and objectivity of the external auditors. For FY2017, the fees that are charged to the Group by the external auditors for audit services were approximately S$80,000. There were no non-audit fees paid to the external auditors.

In July 2010, SGX-ST and ACRA had launched the "Guidance to Audit Committees on Evaluation of Quality of Work performed by External Auditors" which aims to facilitate the AC's evaluation of the external auditors. Accordingly, the AC had evaluated the performance of the external auditors based on the key indicators of audit quality set out in the said Guidance.

The Group has implemented a whistle blowing policy whereby accessible channels are provided for employees to raise concerns about possible improprieties in matters of financial reporting or other matters which they become aware and to ensure that:

(i) independent investigations are carried out in an appropriate and timely manner;

(ii) appropriate action is taken to correct the weakness in internal controls and policies which allowed the perpetration of fraud and/or misconduct and to prevent a recurrence; and

(iii) administrative, disciplinary, civil and/or criminal actions that are initiated following the completion of investigations are appropriate, balance and fair, while providing reassurance that employees will be protected from reprisals or victimisation for whistle-blowing in good faith and without malice.

The AC is kept updated annually or from time to time on any changes to the accounting and financial reporting standards by the external auditors.

Internal Audit

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

The Company has not engaged any external professional firm for its internal audit function. The AC and the Board review and monitor the adequacy of internal controls on a regular basis with the assistance of the external auditors, whose job scope includes certain prescribed internal control issues.

The AC and the Board will from time to time review the size and complexity of the Group and to engage an external professional firm for this function when the need arises.

(D) SHAREHOLDER RIGHTS AND RESPONSIBILITES

SHAREHOLDER RIGHTS

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

The Company does not practice selective disclosure. In line with the continuous obligations of the Company under the Listing Manual of the SGX-ST and the Companies Act, Chapter 50, the Board's policy is that all shareholders should equally and on a timely basis be informed of all major developments that impact the Group. Material information and changes in the Company or its business which would be likely to materially affect the price or value of the Company's shares are disclosed in a timely manner via SGXNet announcements.

All shareholders are entitled to attend the general meetings and are provided with the opportunity to participate in the general meetings. If any shareholder is unable to attend, he/she is allowed to appoint up to two proxies to vote on his/ her behalf at the general meeting through proxy forms sent in advance. Currently, pursuant to the Constitution of the Company, shareholder can appoint up to a maximum of two proxies, who need not be shareholders of the Company, to attend and vote at general meetings.

As at 3 January 2017, the Companies Act has been amended to, amongst other things, allow certain members who are "relevant intermediaries" to attend and participate in general meetings without being constrained by the two-proxy requirement. A "relevant intermediary" as defined under the Companies Act includes (a) corporations holding licenses in providing nominee and custodial services and who hold shares in that capacity and (b) the CPF Board which purchases shares on behalf of the CPF investors.

Shareholders are given notice of general meetings with the sufficient notice period as required in the Companies Act, Chapter 50, and are informed of the relevant rules and procedures governing general meetings, including voting procedures. Shareholders are also provided with the opportunity to raise questions and participate effectively at such general meetings on any concerns that they may have in relation to the resolutions to be passed.

COMMUNICATION WITH SHAREHOLDERS

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

The Company believes in high standards of transparent corporate disclosure and is committee to disclose to its shareholder, the information in a timely and fair manner via SGXNet. Where there is inadvertent disclosure made to a selected group, the Company will make the same disclosure publicly to all others as soon as practicable. Communication is made through:-

- annual reports that are prepared and sent to all shareholders. The Board ensures that the annual report includes all relevant information about the Company and the Group, including future developments and other disclosures required by the Companies Act, Chapter 50 and Singapore Financial Reporting Standards;

- quarterly announcements containing a summary of the financial information and affairs of the Group for that period; and

- notices of explanatory memoranda for AGMs and Extraordinary General Meetings ("EGMs"). The notice of AGMs and EGMs are also advertised in a national newspaper.

The Company does not practice selective disclosure. Price sensitive information is first publicly released through SGXNet, either before the Company meets with any investors or analysts. All shareholders of the Company will receive the annual report with notice of AGM by post and published in the newspapers within the mandatory period, which is held within four months after the close of the financial year. Before and after every general meeting, the Board engages in dialogue with shareholders to gather views or inputs, and addresses the queries that shareholders may have.

The Company does not have a fixed dividend policy. The form, frequency and amount of dividends will depend on the Company's earnings, general financial condition, results of operations, capital requirements, cash flow, general business condition, development plans and other factors as the Directors may deem appropriate.

CONDUCT OF SHAREHOLDER MEETING

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

Shareholders are encouraged to attend the Company's general meetings to ensure a high level of accountability and to stay informed of the Group's strategies and growth plans. Notice of the general meeting is dispatched to shareholders, together with explanatory notes or a circular on items of special businesses (if necessary), at least 14 clear calendar days before the meeting. These notices are also published on the SGXNet and in newspapers. The Board welcomes questions from shareholders who wish to raise issues, either informally or formally before or during the general meetings.

Each item of special business included in the notice of the general meetings will be accompanied by explanation of the effects of a proposed resolution. Separate resolutions are proposed for each substantially separate issue at general meetings.

The Chairman of the AC, NC and RC are normally present and available to address questions relating to the work of their respective Committees at general meetings. Furthermore, the external auditors are present to assist our Board in addressing any relevant queries by our shareholders.

The Company will make available minutes of general meetings to shareholders upon their request.

Resolutions are put to vote by poll and the detailed results of each resolution, showing the number of votes cast for and against each resolution and the respective percentages, are announced via SGXNet after the general meetings.

Dealings In Company's Securities

In compliance with the relevant rules of the Listing Manual and the Code of Corporate Governance, the Company has devised its own internal compliance code to provide guidance to its officers with regards to dealings in listed securities of the Company by the officer. Directors and employees of the Company are advised not to deal in the Company's shares on short-term considerations or when they are in the possession of unpublished price-sensitive information.

The Company prohibits dealings in its shares by its officers and employees during the period commencing two weeks before the announcement of the Company's financial statements for each of the first three quarters of its financial year, or one month before the announcement of the Company's full financial year results, as the case may be, and ending on the day of the announcement of the relevant results.

Material Contracts

There are no material contracts of the Company or its subsidiaries involving the interests of the CEO, each Director or Controlling Shareholders, either still subsisting at the end of the financial year or entered into since the end of the previous financial year.

Interested Person Transactions

The Company has established procedures for recording and reporting interested person transactions to ensure that all transactions with interested persons are reported on a timely manner to the AC, if any and that the transactions are carried out on normal commercial terms and will not be prejudicial to the interests of the Company and its minority shareholders.

Sustainability Report

As a player in the green energy business, we recognise that we must conduct our operations in a manner that considers the environmental and social impact to ensure the success and longevity of the business. We are committed to being transparent, candid and open about our business.

The Company recognises the need to foster a positive socially responsible corporate culture. However, in view of the prevailing financial predicament of the Group, the management and Directors have devoted their efforts towards turning the Company around. Once successful, Management and the Directors will look into developing a policy on corporate social responsibility.

The Board and the management intends to review the company's sustainability objectives, challenges, targets and progress. These issues will be the subject of active discussion at Board meetings and Board committee meetings during 2018.

The Board of Directors plans to assign responsibility for overseeing the company's sustainability initiatives to the Board's Committee on Directors and Corporate Governance. The Board has always been committed to sustainability and the Board fully supports the adoption of the new SGX sustainability reporting guidelines.

PARTICULARS OF DIRECTORS PURSUANT TO THE CODE OF CORPORATE GOVERNANCE AS AT 31 DECEMBER 2017

Name of Director	Academic Professional Qualifications	Board Appointment Executive/ Non-executive	Board Committees as Chairman or Member	Directorship Date First Appointed	Date of Last Re-election	Directorships in other listed companies and other major appointments	Past directorships in other listed companies and other major appointments over the preceding 3 years
Mr. Ting Chun Yuen	High School Diploma from Jinjiang City Chendai Mingzu School	Executive Chairman and CEO	Board Chairman and Member of NC	10 January 2008	30 May 2016	• NIL	• NIL
Mr. Soh Beng Keng	Bachelor of Commerce (Accountancy) and he is a member of the Singapore Institute of Directors and a fellow member of the Institute of Singapore Chartered Accountants	Independent Director	Board Member, Chairman of AC and Member of NC and RC	25 August 2009	30 May 2016	• ISDN Holdings Limited • China Haida Ltd • Sino Grandness Food Industry Group Limited	• NIL
Mr. Koo Ah Seang	Bachelor of Commerce and a fellow member of the Institute of Singapore Chartered Accountants	Non-Executive Director	Chairman of the Board	3 July 2017	–	• Nil	• OLS Enterprise Ltd. (now known as Pine Capital Group Limited)
Mr. Tay Wee Kwang	BSc in Electronics and Electrical Engineering; MBA in General Management; Senior Member of the Institute of Engineers Singapore	Non-Executive Director	Board Member, Chairman of the NC and Member of the AC and RC	3 April 2017	12 April 2017	• Nil	• Sincap Group Limited Sino • TechFibre Limited

Name of Director	Academic Professional Qualifications	Board Appointment Executive/ Non-executive	Board Committees as Chairman or Member	Directorship Date First Appointed	Date of Last Re-election	Directorships in other listed companies and other major appointments	Past directorships in other listed companies and other major appointments over the preceding 3 years
Mr. Loh Ji Kin	Bachelor in Accountancy; Registered Public Accountant and member of the Institute of Singapore Chartered Accountants	Independent Director	Board Member, Member of the AC, RC and NC	8 May 2017	–	• Nil	• Nil

DIRECTORS' **STATEMENT**

For the Financial Year Ended 31 December 2017

The directors are pleased to present their statement to the members together with the audited consolidated financial statements of BM Mobility Ltd. (Formerly known as Ziwo Holdings Ltd.) ("the Company") and its subsidiaries (collectively, "the Group") and the statement of financial position of the Company for the financial year ended 31 December 2017.

1 Opinion of the Directors

In the opinion of the directors,

(a) the consolidated financial statements of the Group and the statement of financial position of the Company as set out on pages 34 to 68 are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2017 and the financial performance, changes in equity and cash flows of the Group for the financial year then ended; and

(b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts when they fall due.

2 Directors

The directors of the Company in office at the date of this report are:

Mr. Koo Ah Seang (Executive Chairman) (appointed on 18 January 2018)
Mr. Tay Wee Kwang (Executive Director and Chief Executive Officer) (appointed on 18 January 2018)
Mr. Soh Beng Keng (Non-Executive Lead Independent Director) (appointed on 25 August 2009)
Mr. Loh Ji Kin (Non-Executive Independent Director) (appointed on 8 May 2017)
Mr. Ting Chun Yuen (Non-Executive Director) (resigned on 4 January 2018)
Mr. Lim Heng Chong Benny (Non-Executive Independent Director) (resigned on 27 April 2017)
Mr. Ngan See Juan, John (Independent Non-Executive Director) (resigned on 27 April 2017)

3 Arrangements to Enable Directors to Acquire Shares and Debentures

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose objective was to enable the directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

4 Directors' Interests in Shares and Debentures

The interests of the directors holding office at the end of the financial year in the share capital of the Company and related corporations as recorded in the register of directors' shareholdings were as follows:

	Direct Interest			Deemed Interest		
Director	**As at 1.1.2017 or the date of appointment, if later**	**As at 31.12.2017**	**As at 21.1.2018**	**As at 1.1.2017 or the date of appointment, if later**	**As at 31.12.2017**	**As at 21.1.2018**
Koo Ah Seang	20,577,200	31,484,000	35,384,000	–	–	–
Tay Wee Kwang	32,509,000	35,101,000	35,101,000	–	–	–
Soh Beng Keng	200,000	200,000	200,000	–	–	–
Loh Ji Kin	–	–	–	–	–	–
Ting Chun Yuen	850,000	–	850,000	153,079,920	40,079,920	14,566,600

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

5 Options To Take Up Unissued Shares

During the financial year, no option to take up unissued shares of the Company or its subsidiaries were granted.

6 Options Exercised

During the financial year, there were no shares of the Company or its subsidiaries issued by virtue of the exercise of options to take up unissued shares.

7 Unissued Shares Under Option

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

8 Audit Committee

The members of the Audit Committee ("AC") at the end of the financial year comprise the following members:

Soh Beng Keng (Chairman)
Loh Ji Kin
Tay Wee Kwang

The AC carried out its functions in accordance with Section 201B (5) of the Singapore Companies Act, Cap 50, including the following:

(a) Reviews the audit plans of the internal and external auditors of the Company, and reviews the internal auditor's evaluation of the adequacy of the Company's system of internal accounting controls and the assistance given by the Company's management to the external and internal auditors;

(b) Reviews the quarterly and annual financial statements and the auditor's report on the annual financial statements of the Company before their submission to the board of directors;

(c) Reviews effectiveness of the Company's material internal controls, including financial, operational and compliance controls, risk management and information technology via reviews carried out by the internal auditors;

(d) Meets with the external auditors, other committees, and management in separate executive sessions to discuss any matters that these groups believe should be discussed privately with the AC;

(e) Reviews legal and regulatory matters that may have a material impact on the financial statements, related compliance policies and programmes, and any reports received from regulators;

(f) Reviews the cost effectiveness and the independence and objectivity of the external auditors;

(g) Reviews the nature and extent of non-audit services provided by external auditors;

(h) Recommends to the board of directors the external auditors to be nominated, approves the compensation of the external auditors, and reviews the scope and results of the audit;

(i) Reports actions and minutes of the AC to the board of directors with such recommendations as the AC deems appropriate; and

(j) Reviews interested person transactions in accordance with the requirements of the Singapore Exchange Securities Trading Limited's Listing Manual.

The AC, having reviewed all non-audit services provided by the external auditors of the Company and noted that no such services have been rendered to the Group by the external auditors during the financial year. The AC is satisfied with the independence and objectivity of the external auditors.

9 Audit Committee (continued)

The AC convened four meetings during the year. The AC has also met with internal auditors and external auditors, without the presence of the Company's management, at least once a year.

The AC has recommended to the Board of Directors the nomination of RT LLP for their appointment as independent auditors of the Company at the forthcoming Annual General Meeting.

Further details regarding the AC are disclosed in the Corporate Governance Report.

10 Independent Auditors

The auditors, RT LLP, Public Accountants and Chartered Accountants, have expressed their willingness to accept re-appointment as auditor.

On behalf of the Board of Directors,

Koo Ah Seang Director	Soh Beng Keng Director

4 April 2018

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of BM Mobility Ltd. (formerly known as Ziwo Holdings Ltd.) ("the Company") and its subsidiaries (the "Group"), which comprise the consolidated statement of financial position of the Group and the statement of financial position of the Company as at 31 December 2017, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group for the year then ended, and notes to the financial statements, including a summary of significant accounting policies as set out on pages 38 to 68.

In our opinion, the accompanying consolidated financial statements of the Group and the statement of financial position of the Company are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 (the Act) and Financial Reporting Standards in Singapore (FRSs) so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 December 2017 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing (SSAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority (ACRA) *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* (ACRA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

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

Key Audit Matters	How the matter was addressed in the audit
Impairment of trade receivables Trade receivables constituted 47.77% of the total assets of the Group. Management performed an impairment assessment on the outstanding trade receivables. The impairment assessment requires the exercise of significant judgement about the debtors' financial position and payment history. The key assumptions to the impairment assessment and the aging of those trade and other receivables are disclosed in Note 3(a) and Note 23(iii) respectively.	Our audit procedures focused on evaluating management's impairment assessment of those receivables. These procedures include: ● Tested the accuracy and completeness of debtors aging as at 31 December 2017 used by management to identify long outstanding receivables; ● Evaluated the payment history and challenged management on the identification of impaired trade receivables; ● Checked to subsequent receipt, if any and assessed the payment trend for those no subsequent receipt; and ● Evaluated management's correspondences and legal letters issued to overdue debtor.

Key Audit Matters (cont'd)

Key Audit Matters	How the matter was addressed in the audit
Impairment of inventories In 2017, the group recognised impairment loss of RMB 4,033,000 (2016: RMB 1,396,000) on its inventories. The impairment assessment requires management's judgement in determining the allowance of inventory obsolescence and the net realisable value of the inventories. The key assumptions to the impairment assessment of inventories are disclosed in Note 3(a).	Our audit procedures focused on evaluating management's impairment assessment of those inventories. These procedures include: ● Assessed and checked to the market available information for the scrap value of the inventory which based on management's best estimation; ● Considered the net realisable value of the inventories based on the last transacted sales of the inventories; ● Evaluated the appropriateness of the Group's accounting policy on the valuation of its inventories; and ● Tested the aging of inventories and evaluating management analysis of slow moving inventories.
Impairment of property, plant and equipment and land use rights As at 31 December 2017, the Group's building and land use rights had been fully impaired and the plant and equipment had been impaired to its recoverable amount. In 2017, the group recognised impairment losses of RMB 19,110,000 (2016: RMB 74,724,000) and RMB 13,799,000 (2016: RMB 34,357,000) on its property, plant and equipment and land use rights. The recoverable amount of the plant and machinery was determined using fair value less cost of disposal which involves significant judgments and estimations by management. The key assumptions to the impairment assessment of Property, plant and equipment are disclosed in Note 3(a).	Our audit procedures focused on evaluating management's impairment assessment on the property, plant and equipment and land use rights. ● Reviewed the reply and document from the Land Authority of Bureau of China; ● Obtained the assurance from the legal counsel that the buildings and land use rights are not transferable and transactable; and ● Evaluated the Management's impairment assessment on the plant and machinery in comparison to the current market price.

Key Audit Matters (cont'd)

Key Audit Matters	How the matter was addressed in the audit
Impairment of investment in subsidiaries As at 31 December 2017, the Company's investment in subsidiaries has been fully impaired and recognised impairment loss of RMB 41,908,000 (2016: RMB 95,170,000) in 2017. The determination of the recoverable amount of the investment in subsidiaries requires management to make significant estimates on the expected fair value less cost to sell for the subsidiaries. The estimates included the assessment of the expected realisable amounts of the net assets of the subsidiaries. The key assumptions to the impairment assessment of investment in subsidiaries are disclosed in Note 3(a).	Our audit procedures include: ● Assessed the accuracy of management's computation of the recoverable amount to determine the impairment loss; and ● Challenged management assumptions on the expected price for the realisability of the underlying assets of the subsidiaries.
Impairment of associate As at 31 March 2017, the carrying amount of the investments in associate constituted approximately 21.66% and 75.18% of the total assets of the Group and the Company. Management is required to assess at the end of each reporting period whether there is any indication that the investments may be impaired. The recoverable amount of investments was determined using the value in use which involves significant judgments and estimations by management. The key assumptions to the impairment assessment of associate are disclosed in Note 3(a).	Our audit procedures focused on evaluating and challenging the key assumptions used in the impairment assessment of the investment in associate. The procedures include: ● Assessed the valuation methodology used for appropriateness and verifying the key inputs to the valuation computation; ● Assessed the accuracy of the computation of the discounted cash flows; and ● Evaluated the assumptions underpinning the future cash flows and the discount rate used for reasonableness.

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

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

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

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

Responsibilities of Management and Directors for the Financial Statements

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

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

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

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

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

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

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

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

Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditor's report is Mr. Su Chun Keat.

RT LLP
Public Accountants and
Chartered Accountants

Singapore
4 April 2018

CONSOLIDATED STATEMENT OF
COMPREHENSIVE INCOME

For the Financial Year Ended 31 December 2017

	Note	2017 RMB'000	2016 RMB'000
Continuing operations			
Revenue	4	**21,532**	43,191
Cost of sales		**(20,758)**	(42,482)
Gross profit		**774**	709
Other income	5	**134**	2,603
Selling and distribution expenses		**(3,580)**	(6,774)
Administrative expenses		**(12,073)**	(9,908)
Other operating expenses		**(79,270)**	(126,536)
Share of results of associate	13	**(996)**	-
Loss before tax from continuing operations	6	**(95,011)**	(139,906)
Income tax credit	7	**286**	-
Loss from continuing operations, net of tax		**(94,725)**	(139,906)
Discontinued operations			
Loss from discontinued operations, net of tax	8	**(13,011)**	(15,320)
Loss for the year, representing total comprehensive loss for the year		**(107,736)**	(155,226)
Basic and diluted loss per share (RMB cents)	**9**	**(24.44)**	(41.54)
- From continuing operations (RMB cents per share)		**(21.49)**	(37.44)
- From discontinued operations (RMB cents per share)		**(2.95)**	(4.10)

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

STATEMENT OF
FINANCIAL POSITION

As st 31 December 2017

		Group		Company	
		2017	2016	**2017**	2016
	Note	**RMB'000**	RMB'000	**RMB'000**	RMB'000
ASSETS					
Non-Current Assets					
Land use rights	10	**–**	14,107	**–**	–
Property, plant and equipment	11	**1,237**	21,607	**–**	–
Investment in subsidiaries	12	**–**	–	**–**	41,908
Investment in associate	13	**4,847**	–	**5,843**	–
		6,084	35,714	**5,843**	41,908
Current Assets					
Inventories	14	**116**	6,032	**–**	–
Trade and other receivables	15	**12,825**	60,946	**1,468**	36,251
Prepayments		**193**	1,074	**21**	–
Cash and cash equivalents	16	**3,157**	2,798	**440**	34
		16,291	70,850	**1,929**	36,285
Total Assets		**22,375**	106,564	**7,772**	78,193
EQUITY AND LIABILITIES					
Equity					
Share capital	17	**195,561**	185,637	**195,561**	185,637
Statutory reserve	18	**42,794**	42,794	**–**	–
Accumulated losses		**(250,169)**	(142,433)	**(194,736)**	(127,453)
		(11,814)	85,998	**825**	58,184
Current Liabilities					
Other payables	19	**34,189**	20,280	**6,947**	20,009
Current tax payable		**–**	286	**–**	–
		34,189	20,566	**6,947**	20,009
Total Liabilities		**34,189**	20,566	**6,947**	20,009
Total Equity and Liabilities		**22,375**	106,564	**7,772**	78,193

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

CONSOLIDATED STATEMENT OF
CHANGES IN EQUITY

For the Financial Year Ended 31 December 2017

The Group	Share capital RMB'000 (Note 17)	Statutory reserve RMB'000 (Note 18)	Retained earnings/ (accumulated losses) RMB'000	Total equity RMB'000
	Attributable to equity holders of the Company			
Balance at 1 January 2016	185,637	42,794	12,793	241,224
Loss for the year, representing total comprehensive loss for the financial year	–	–	(155,226)	(155,226)
Balance at 31 December 2016	185,637	42,794	(142,433)	85,998
Balance at 1 January 2017	185,637	42,794	(142,433)	85,998
Loss for the year, representing total comprehensive loss for the financial year	–	–	(107,736)	(107,736)
Transactions with owners, recognises directly in equity				
Issuance of shares, net of expenses	9,924	–	–	9,924
Balance at 31 December 2017	195,561	42,794	(250,169)	(11,814)

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

CONSOLIDATED STATEMENT OF **CASH FLOWS**

For the Financial Year Ended 31 December 2017

	2017	2016
	RMB'000	RMB'000
Cash Flows from Operating Activities		
Loss before tax from continuing operations	**(95,011)**	(139,906)
Loss before tax from discontinued operation	**(13,011)**	(15,320)
Loss before tax, total	**(108,022)**	(155,226)
Adjustments for:		
Interest income	**(9)**	(53)
Depreciation of property, plant and equipment	**1,437**	6,459
Amortisation of land use rights	**308**	565
Allowance for impairment of land use rights	**13,799**	34,357
Allowance for impairment of property, plant and equipment	**19,110**	74,724
Write down of inventories	**4,033**	1,396
Property, plant and equipment written off	**–**	73
Bad debts written off	**2,008**	4,213
Reversal of impairment on trade receivables	**(500)**	(4,136)
(Gain) / loss on disposal of property, plant and equipment	**(120)**	1,187
Allowance for impairment loss of trade and other receivables	**25,289**	22,273
Written off advance payments to suppliers	**28,000**	–
Share of results of associate	**996**	–
Operating cash outflows before changes in working capital	**(13,671)**	(14,168)
Changes in working capital		
Inventories	**1,883**	1,832
Trade and other receivables	**(6,676)**	(18,688)
Other current assets	**881**	(899)
Trade and other payables	**13,909**	5,849
Cash used in operations	**(3,674)**	(26,074)
Interest received	**9**	53
Net cash flows used in operating activities	**(3,665)**	(26,021)
Cash Flows from Investing Activities		
Investment in associate	**(5,843)**	–
Purchase of property, plant and equipment	**(177)**	(7,136)
Proceeds from disposal of property, plant and equipment	**120**	75
Net cash flows used in investing activities	**(5,900)**	(7,061)
Cash Flow from Financing Activities		
Proceed from issuances of shares	**9,924**	–
Net cash flows generated from financing activities	**9,924**	–
Net increase / (decrease) in cash and cash equivalents	**359**	(33,082)
Cash and cash equivalents at beginning of year	**2,798**	35,880
Cash and cash equivalents at end of year	**3,157**	2,798

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

These notes form an integral part of and should be read in conjunction with the accompanying financial statements.

1 General

The Company was incorporated in Singapore on 10 January 2008 under the Singapore Companies Act as a private limited company, under the name of Tianzheng Holdings Pte. Ltd. On 3 April 2009, the Company was renamed Ziwo Holdings Pte. Ltd. On 31 August 2009, the Company was converted to a public limited company and changed its name to Ziwo Holdings Ltd. The Company was admitted to the Official List of the Singapore Exchange Securities Trading Limited (SGX-ST) on 8 October 2009. On 2 January 2018, the Company's name was changed to BM Mobility Ltd. to better reflect the diversification into green energy related business.

The Company is domiciled in the Republic of Singapore and its registered office is located at 8 Robinson Road, #13-00 ASO Building, Singapore 048544. The principal place of business of the Company is located at Western Section, Qingmeng Zone, Economy and Technology Development Zone, Quanzhou City, Fujian Province, the People's Republic of China (the "PRC").

The principal activity of the Company is that of an investment holding company. The principal activities of the subsidiaries are disclosed in Note 12. The principal activities of the associate is disclosed in Note 13.

The Company's Extraordinary General Meeting ("EGM") was held on Tuesday, 2 January 2018, and voting was conducted by way of poll on the proposed resolutions set out in the notice of EGM dated 11 December 2017:

(i) Ratify the acquisition of 65% of Estar Investments Pte. Ltd.;

(ii) Proposed diversification of core business to green energy related business; and

(iii) Change the name of the Company to one which is reflective of its new core business.

All the resolutions set out in the Notice of EGM were unanimously passed. The Company will be focusing on its plans to pursue new opportunities to stop the declining revenue and gross profit margin.

The statement of financial position of the Company and the consolidated Financial Statements of the Group for the year ended 31 December 2017 were authorised for issue in accordance with a resolution of the directors on the date of the Directors' Statement.

2 Summary Significant Accounting Policies

(a) Basis of Preparation

The consolidated financial statements of the Group and the statement of financial position of the Company have been prepared in accordance with Singapore Financial Reporting Standards ("SFRS").

The financial statements have been prepared on the historical cost basis except as disclosed in the accounting policies below.

The financial statements are presented in Renminbi ("RMB"), and all values in the tables are rounded to the nearest thousand (RMB'000), except when otherwise indicated.

The preparation of financial statements in conformity with SFRS requires management to exercise judgments in the process of applying the Group's accounting policies. It also requires the use of certain critical accounting estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, revenues and expenses, and the disclosure of contingent assets and contingent liabilities at the balance sheet date that are not readily apparent from other sources. Estimates and judgments are continually evaluated and are based on historical experience and other factors that are considered to be relevant, including expectations of future events that are believed to be reasonable under the circumstances. However, actual results may ultimately differ from these estimates.

The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 3.

2 Summary Significant Accounting Policies (cont'd)

(b) Full convergence with International Financial Reporting Standards ("IFRS") and adoption of new standards

In December 2017, the Accounting Standards Council (ASC) issued the Singapore Financial Reporting Standards (International) ("SFRS(I)"). Singapore-incorporated companies that have issued, or are in the process of issuing, equity or debt instruments for trading in a public market in Singapore, will apply SFRS(I) with effect from annual periods beginning on or after 1 January 2018.

The Group's financial statements for the financial year ending 31 December 2018 will be prepared in accordance with SFRS(I), and International Financial Reporting Standards issued by the International Accounting Standards Board. As a result, this will be the last set of financial statements prepared under the current FRSs.

In adopting the new framework, the Group will be required to apply the specific transition requirements in SFRS(I) 1 First-time Adoption of International Financial Reporting Standards.

(c) SFRS Issued But Not Yet Effective

In addition to the adoption of the new framework, the following new SFRS(I)s that are applicable to the Group for the accounting periods beginning on or after 1 January 2018 and which the Group has not early adopted:

Effective for annual periods beginning on or after 1 January 2018

- SFRS(I) 15 - Revenue from Contracts with Customers
- SFRS(I) 9 - Financial Instruments
- Amendments to SFRS(I) 12 - Classification and Measurement of Share-based Payment Transactions
- Amendments to SFRS 40 - Transfers of Investment Property
- Improvement to SFRs (December 2016) – Amendments to SFRS 28 Investments in Associates and Joint Ventures
- INT SFRS 122 Foreign Currency Transactions and Advance Consideration

Effective for annual periods beginning on or after 1 January 2019

- SFRS 116 – Leases
- INT FRS 123 Uncertainty over Income Tax Treatments

Management anticipates that the adoption of the above SFRS(I)s in the future periods will not have a material impact on the financial statements of the Group and of the Company in the period of their initial adoption except for SFRS(I) 9, SFRS(I) 15, and SFRS(I) 16. Currently management is still assessing the impact of SFRS(I) 9, SFRS(I) 15, and SFRS(I) 16 in the period of their initial adoption.

SFRS(I) 15 – *Revenue from Contracts with Customers*

SFRS(I) 15 establishes a five-step model that will apply to revenue arising from contracts with customers. Under SFRS(I) 15, revenue is recognised at an amount that reflects the consideration which an entity expects to be entitled in exchange for transferring goods or services to a customer. The principles in SFRS(I) 15 provide a more structured approach to measuring and recognising revenue when the promised goods and services are transferred to the customer (i.e., when performance obligations are satisfied).

Key issues for the Group include identifying performance obligations, accounting for contract modifications, applying the constraint to variable consideration, evaluating significant financing components, measuring progress toward satisfaction of a performance obligation, recognising contract cost assets and addressing disclosure requirements.

2 Summary Significant Accounting Policies (cont'd)

(c) SFRS Issued But Not Yet Effective (cont'd)

SFRS(I) 9 – Financial Instruments

SFRS(I) 9 uses a single approach to determine whether a financial asset is measured at amortised cost or fair value, replacing the many different rules in FRS 39. The approach in SFRS(I) 9 is based on how an entity manages its financial instruments (its business model) and the contractual cash flow characteristics of the financial assets, and enables companies to reflect their risk management activities better in their financial statements, and, in turn, help investors to understand the effect of those activities on future cash flows. SFRS(I) 9 is principle-based, and will more closely align hedge accounting with risk management activities undertaken by companies when hedging their financial and nonfinancial risk exposures. The impairment requirements in SFRS(I) 9 are based on an expected credit loss model and replace the FRS 39 incurred loss model.

The Group is in the process of assessing the impact of these standards on the financial statements.

(d) Basis of consolidation

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

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

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

(e) Business combinations

Business combinations are accounted for by applying the acquisition method. Identifiable assets acquired and liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Acquisition-related costs are recognised as expenses in the periods in which the costs are incurred and the services are received.

Where applicable, the consideration for the acquisition includes any asset or liability resulting from a contingent consideration arrangement, measured at its acquisition-date fair value. Subsequent changes in such fair values are adjusted against the cost of acquisition where they qualify as measurement period adjustment. The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not re-measured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or a liability is re-measured at subsequent reporting dates in accordance with SFRS 39 Financial Instruments: Recognition and Measurement, or SFRS 37 Provisions, Contingent Liabilities and Contingent Assets, as appropriate, with the corresponding gain or loss being recognised in profit or loss.

Any excess of the sum of the fair value of the consideration transferred in the business combination, the amount of non-controlling interest in the acquiree (if any), and the fair value of the Group's previously held equity interest in the acquiree (if any), over the net fair value of the acquiree's identifiable assets and liabilities is recorded as goodwill. In instances where the latter amount exceeds the former, the excess is recognised as gain on bargain purchase in profit or loss on the acquisition date.

Goodwill is initially measured at cost. Following initial recognition, goodwill is measured at cost less any accumulated impairment losses.

For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to the Group's cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

2 Summary Significant Accounting Policies (cont'd)

(e) Business combinations (cont'd)

The cash-generating units to which goodwill have been allocated is tested for impairment annually and whenever there is an indication that the cash-generating unit may be impaired. Impairment is determined for goodwill by assessing the recoverable amount of each cash-generating unit (or group of cash-generating units) to which the goodwill relates.

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

When the control over a subsidiary is lost, the assets and liabilities of the subsidiary, including any goodwill, are derecognised. Any retained interest in the entity is re-measured at fair value. The difference between the carrying amount of retained investment at the date when control is lost and its fair value is recognised in profit or loss.

Where accounting policies of a subsidiary do not conform to those of the Company, adjustments are made on consolidation when the amounts involved are considered significant to the Group.

Changes in the Company owners' ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. In such circumstances, the carrying amounts of the controlling and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the parent.

(f) Foreign Currency

Functional and presentation currency

The individual financial statements of each group entity are presented in the currency of the primary economic environment in which the entity operates (its functional currency). For the purpose of the consolidated financial statements, the results and financial position of each group entity are expressed in Renminbi ("RMB"), which is the functional currency of the Company and the presentation currency for the consolidated financial statements. All values are rounded to the nearest thousand (RMB'000) except when otherwise indicated.

Transactions and balances

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

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

Exchange differences on foreign currency borrowings relating to assets under construction for future productive use, are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings.

2 Summary Significant Accounting Policies (cont'd)

(g) Land Use Rights

Land use rights are initially measured at cost. Following initial recognition, land use rights are measured at cost less accumulated amortisation and accumulated impairment losses. Amortisation is charged to the profit or loss, using the straight-line method, so as to write off the cost of land use rights, over the lease term of the land of 50 years or the remaining useful life of the land use rights.

The amortisation year and amortisation methods for land use rights are reviewed and adjusted as appropriate at each reporting period.

(h) Property, Plant and Equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses, if any. Depreciation is computed utilising the straight-line method to write off the cost of these assets over their estimated useful lives as follows:

Building	10 - 30 years
Plant and machinery	5 - 30 years
Furniture, fixtures and office equipment	5 - 10 years
Motor vehicles	5 - 10 years

The cost of property, plant and equipment includes expenditure that is directly attributable to the acquisition of the items. Dismantlement, removal or restoration costs are included as part of the cost of property, plant and equipment if the obligation for dismantlement, removal or restoration is incurred as a consequence of acquiring or using the asset. Cost may also include transfers from equity of any gains/losses on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment.

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

For acquisitions and disposals during the financial year, depreciation is provided for the month after acquisition and to the month of disposal respectively. Fully depreciated property, plant and equipment are retained in the books of accounts until they are no longer in use.

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

(i) Impairment of Non-Financial Assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when an annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs of disposal and its value in use 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. Where the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

Impairment losses of continuing operations are recognised in profit or loss, except for assets that are previously revalued where the revaluation was taken to other comprehensive income. In this case, the impairment is also recognised in other comprehensive income up to the amount of any previous revaluation.

2 Summary Significant Accounting Policies (cont'd)

(i) Impairment of Non-Financial Assets (cont'd)

A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in profit or loss unless the asset is measured at revalued amount, in which case the reversal is treated as a revaluation increase.

(j) Subsidiaries

A subsidiary is an entity controlled by the Group. Control is achieved when the Company has power over the investee; is exposed, or has rights, to variable returns from its involvement with the investee; and has the ability to use its power to affect its returns.

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

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

In the Company's separate financial statements, investments in subsidiaries are accounted for at cost less impairment losses. On disposal of investments in subsidiaries, the difference between the net disposal proceeds and the carrying amount of the investments are recognised in the profit or loss.

(k) Joint ventures and associate

An associate is an entity over which the Group has the power to participate in the financial and operating policy decisions of the investee but does not have control or joint control of those policies.

The Group account for its investments in associate and joint ventures using the equity method from the date on which it becomes an associate or joint venture.

On acquisition of the investment, any excess of the cost of the investment over the Group's share of the net fair value of the investee's identifiable assets and liabilities is accounted as goodwill and is included in the carrying amount of the investment. Any excess of the Group's share of the net fair value of the investee's identifiable assets and liabilities over the cost of the investment is included as income in the determination of the entity's share of the associate or joint venture's profit or loss in the period in which the investment is acquired.

Under the equity method, the investment in associate or joint ventures are carried in the balance sheet at cost plus post-acquisition changes in the Group's share of net assets of the associate or joint ventures. The profit or loss reflects the share of results of the operations of the associate or joint ventures. Distributions received from joint ventures or associate reduce the carrying amount of the investment. Where there has been a change recognised in other comprehensive income by the associate or joint venture, the Group recognises its share of such changes in other comprehensive income. Unrealised gains and losses resulting from transactions between the Group and associate or joint venture are eliminated to the extent of the interest in the associate or joint ventures.

When the Group's share of losses in an associate or joint venture equals or exceeds its interest in the associate or joint venture, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate or joint venture.

2 Summary Significant Accounting Policies (cont'd)

(k) Joint ventures and associate (cont'd)

After application of the equity method, the Group determines whether it is necessary to recognise an additional impairment loss on the Group's investment in associate or joint ventures. The Group determines at the end of each reporting period whether there is any objective evidence that the investment in the associate or joint venture is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate or joint venture and its carrying value and recognises the amount in profit or loss.

The financial statements of the associate and joint ventures are prepared as the same reporting date as the Company. Where necessary, adjustments are made to bring the accounting policies in line with those of the Group.

(l) Financial Assets

Initial measurement

Financial assets are recognised when, and only when, the Group becomes a party to the contractual provisions of the financial instrument. The Group determines the classification of its financial assets at initial recognition.

Financial assets are initially recognised at fair value plus transaction costs except for financial assets at fair value through profit or loss, which are recognised at fair value.

Classification

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are presented as current assets, except for those expected to be realised later than 12 months after the balance sheet date which are presented as non-current assets. Loans and receivables are presented as "trade and other receivables" and "cash and cash equivalents" on the statement of financial position.

Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade date basis where the purchase or sale of an investment is under a contract whose terms require delivery of the investment within the timeframe established by the market concerned, and are initially measured at fair value plus transaction costs.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership. On disposal of a financial asset, the difference between the carrying amount and the sale proceeds is recognised in profit or loss. Any amount in the fair value reserve relating to that asset is reclassified to profit or loss.

Subsequent measurement

Loans and receivables are subsequently carried at amortised cost using the effective interest method.

Impairment

The Group assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired and recognises an allowance for impairment when such evidence exists.

Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy, and default or significant delay in payments are objective evidence that these financial assets are impaired.

2 Summary Significant Accounting Policies (cont'd)

(l) Financial Assets (cont'd)

Impairment (cont'd)

The carrying amount of these assets is reduced through the use of an impairment allowance account which is calculated as the difference between the carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. When the asset becomes uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are recognised against the same line item in profit or loss.

Effective interest method

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

(m) Financial Liabilities

Initial recognition and measurement

Financial liabilities are recognised when, and only when, the Group becomes a party to the contractual provisions of the financial instrument. The Group determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value plus in the case of financial liabilities not at fair value through profit or loss, directly attributable transaction costs.

Subsequent measurement

After initial recognition, financial liabilities that are not carried at fair value through profit or loss are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

De-recognition

A financial liability is de-recognised 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 de-recognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

(n) Fair Value

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the group takes into account the characteristics of the asset or liability which market participants would take into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of FRS 102 Share-based Payment, leasing transactions that are within the scope of FRS 17 Leases, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in FRS 2 Inventories or value in use in FRS 36 Impairment of Assets.

2 Summary Significant Accounting Policies (cont'd)

(n) Fair Value (cont'd)

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

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

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

(iii) Level 3 inputs are unobservable inputs for the asset or liability.

(o) Cash and Cash Equivalents

Cash and cash equivalents comprise cash balances and bank deposits which are subject to an insignificant risk of change in value.

(p) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the weighted average method, and includes all costs in bringing the inventories to their present location and condition. In the case of manufactured products, cost includes all direct expenditure and production overheads based on the normal level of activity.

Where necessary, allowance is provided for damaged, obsolete and slow moving items to adjust the carrying value of inventories to the lower of cost and net realisable value.

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

(q) Provisions

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

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed.

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

(r) Employee Benefits

Retirement benefits scheme

Pursuant to the relevant regulations of the PRC government, the Group participates in a local municipal government retirement benefits scheme (the "Scheme"), whereby the subsidiaries located in the PRC are required to contribute a certain percentage of the basic salaries of its employees to the Scheme to fund their retirement benefits. The local municipal government undertakes to assume the retirement benefits obligations of all existing and future retired employees of the subsidiary located in the PRC. The only obligation of the Group with respect to the Scheme is to pay the ongoing required contributions under the Scheme mentioned above. Contributions under the Scheme are charged to the profit or loss as incurred. There are no provisions under the Scheme whereby forfeited contributions may be used to reduce future contributions.

2 Summary Significant Accounting Policies (cont'd)

(s) Non-current assets held for sale and discontinued operations

Non-current assets and disposal groups classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Non-current assets and disposal groups are classified as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. A component of the Group is classified as a 'discontinued operation' when the criteria to be classified as held for sale have been met or it has been disposed of and such a component represents a separate major line of business or geographical area of operations or is part of a single coordinated plan to dispose of a separate major line of business or geographical area of operations.

(t) Research and Development

Research costs are expensed as incurred. Deferred development costs arising from development expenditures on an individual project are recognised as an intangible asset when the Group can demonstrate the technical feasibility of completing the intangible asset so that it will be available for use or sale, its intention to complete and its ability to use or sell the asset, how the asset will generate future economic benefits, the availability of resources to complete and the ability to measure reliably the expenditures during the development.

Following initial recognition of the deferred development costs with a finite useful life as an intangible asset, it is carried at cost less accumulated amortisation and any accumulated impairment losses. Amortisation of the intangible asset begins when development is complete and the asset is available for use. Deferred development costs that have a finite useful life and are amortised over the period of expected sales from the related project on a straight-line basis.

Other development expenditures that do not meet these criteria are recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period.

(u) Share capital and share issuance expenses

Proceeds from issuance of ordinary shares are recognised as share capital in equity. Incremental costs directly attributable to the issuance of new ordinary shares are deducted against the share capital account.

(v) Dividends

Dividends to the Company's shareholders are recognised when the dividends are approved for payment.

(w) Revenue Recognition

Revenue is recognised when the significant risks and rewards of ownership have been transferred to the buyer. Revenue excludes goods and services taxes and is arrived at after deduction of trade discounts. No revenue is recognised if there are significant uncertainties regarding recovery of the consideration due, associated costs or the possible return of goods.

Interest income is recognised on a time-apportioned basis using the effective interest rate method.

(x) Income Taxes

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

Deferred income tax is recognised for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting or taxable profit or loss at the time of the transaction.

2 Summary Significant Accounting Policies (cont'd)

(x) Income Taxes (cont'd)

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

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

Deferred income tax is measured:

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

(ii) based on the tax consequence that will follow from the manner in which the Group expects, at the date of the financial position, to recover or settle the carrying amounts of its assets and liabilities.

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

(y) Segments Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the executive committee whose members are responsible for allocating resources and assessing performance of the operating segments.

3 Critical accounting judgements and key sources of estimation uncertainty

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

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

(a) Key sources of estimation uncertainty

Useful lives of property, plant and equipment and land use rights

Property, plant and equipment and land use rights are depreciated / amortised on a straight-line basis over their estimated useful lives. Management estimates the useful lives of property, plant and equipment and land use rights to be within 5 to 30 years and 43 to 50 years respectively. The carrying amount of the Group's property, plant and equipment and the land use rights as at 31 December 2017 are approximately RMB1,237,000 (2016: RMB 21,607,000) and RMB NIL (2016: RMB 14,107,000) respectively. Changes in the expected level of usage and technological developments could impact the economic useful lives and the residual values of these assets, therefore future depreciation / amortisation charges could be revised.

3 Critical accounting judgements and key sources of estimation uncertainty (cont'd)

(a) Key sources of estimation uncertainty (cont'd)

Income tax

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

The Group has recognised income tax credit of approximately RMB 286,000 (2016: RMB NIL) for the financial year ended 31 December 2017. The carrying amounts of the Group's current income tax liabilities as at 31 December 2017 is approximately RMB NIL (2016: RMB 286,000).

(b) Critical judgements in applying the entity's accounting policies

Impairment of non-financial assets – property, plant & equipment and land use rights

As at 31 December 2017, the carrying amount of the Group's property, plant and equipment and land use rights amounted to RMB 1,237,000 (2016: RMB 21,607,000) and RMB NIL (2016: RMB 14,107,000) respectively.

The recoverable amounts of the property, plant and equipment and land use rights can be affected by factors which are largely beyond the control of the Group, for example; stability of the industry and market demand; technical, technological, commercial and other types of obsolescence; actions by competitors or potential competitors; and changes in the legal and other regulatory framework. The estimated recoverable amounts are determined based on fair value less costs to sell, which are either based on (i) recognised valuation techniques based on cost approach using unobservable inputs applied by an independent valuer or (ii) market approach considering recently transacted prices paid for similar assets. The recoverable amounts of the property, plant and equipment could change significantly as a result of changes in the assumptions used in determining the market value.

The company received notices from the Land and Resources Bureau of Fujian Province. Quanzhou City confirmed that the company's land use rights and property are not transferable.

Subsequently as at the financial year end, the Group carried out a review of the recoverable amount of its plant, and equipment due to indicators for impairment in light of the state of the business. The recoverable amount of the plant and equipment has been determined on the basis of their fair value less cost to sell. The fair value was primarily determined based on fair value measurement category within level 3.

Accordingly, the Group recognised impairment losses on property, plant and equipment and land use rights of approximately RMB 19,110,000 (2016: RMB 74,724,000) and RMB 13,799,000 (2016: RMB 34,357,000) respectively was recognized in the profit and loss as disclosed in Note 11 and Note 10 respectively.

Write-down of inventories

Reviews are made periodically by management on inventories for excess inventories, obsolescence and decline in net realisable value below cost. Inventories are written down for any such declines based on historical obsolescence and slow-moving experiences.

During the financial year ended 31 December 2017, the Group recognised write-down of inventories of approximately RMB 4,033,000 (2016: RMB 1,396,000). The carrying amount of inventories of the Group as at 31 December 2017 was RMB 116,000 (2016: RMB 6,032,000) (Note 14).

3 Critical Accounting Judgements and Key Sources Of Estimation Uncertainty (cont'd)

(b) Critical judgements in applying the entity's accounting policies (cont'd)

Impairment of investment in subsidiaries

As at 31 December 2017, carrying amount of the Company's investments in subsidiaries amounted to RMB NIL (2016: RMB 41,908,000).

An impairment allowance of RMB 140,178,000 (2016: RMB 98,270,000) was recognised as at 31 December 2017 for an investment in subsidiaries. The estimates of the recoverable amount of the investment have been determined by management based on the net realisable value of the net assets of the subsidiaries as at 31 December 2017, which approximates the recoverable amount of the investment in subsidiaries. The impairment loss had no impact on the Group's consolidated financial statements.

Impairment of trade and other receivables

Allowances for impairment of trade and other receivables are based on an assessment of the recoverability of trade and other receivables. Allowances are applied to trade and other receivables where events or changes in circumstances indicate that the balances may not be collectible. The identification of bad and doubtful debts requires the use of judgment and estimates. Where the expected outcome is different from the original estimate, such difference will impact the carrying value of trade and other receivables and allowance for impairment loss in the period in which such estimate has been changed. During the financial year ended 31 December 2017, the Group recognised allowances for impairment of trade and other receivables of approximately RMB 25,289,000 (2016: RMB 22,273,000). The carrying amount of trade and other receivables of the Group as at 31 December 2017 is approximately RMB 12,825,000 (2016: RMB 60,946,000) (Note 15).

Impairment of investment in associate

As at 31 December 2017, carrying amount of the Group and Company's investments in associate amounted to RMB 4,847,000 (2016: Nil) and RMB 5,843,000 (2016: Nil) respectively.

The Group and Company follow the guidance of FRS 36 on determining whether investments are impaired. This determination requires significant judgement. The Group and the Company evaluate, among other factors, the duration and extent to which the fair values of investments are less than their cost and the financial health of and near-term business outlook for the investments, including factors such as industry and sector performance, changes in technology and operational and financial cash flows.

4 Revenue

	Group	
	2017	2016
	RMB'000	RMB'000
Sale of goods	**21,532**	43,191

5 Other Income

	Group	
	2017	2016
	RMB'000	RMB'000
Sale of scrap materials	**–**	102
Interest income from cash at bank	**9**	47
Reversal of impairment loss on trade receivables	**–**	2,442
Government grant	**–**	12
Gain on disposal of property, plant and equipment	**120**	–
Other	**5**	–
	134	2,603

6 Loss before taxation from continuing operations

The following items have been included in arriving at loss before tax:

	Group	
	2017	2016
	RMB'000	RMB'000
Included in cost of sales:		
- Cost of inventories sold	**16,843**	37,102
- Depreciation of property, plant and equipment	**1,253**	3,860
Included in selling and distribution expenses:		
- Depreciation of property, plant and equipment	**–**	154
- Other research and development expenses	**798**	1,853
- Operating lease expense	**84**	73
- Transportation fees	**1,210**	1,945
Included in administrative expenses:		
- Depreciation of property, plant and equipment	**184**	279
- Amortisation of land use rights	**308**	505
- Audit fees - Current year	**394**	450
- Audit fees - Overprovision in prior year	**(171)**	–
- Audit fees - Other auditors	**–**	62
Included in other operating expenses:		
- Allowance for impairment of land use rights	**13,799**	–
- Allowance for impairment loss of property, plant and equipment	**19,110**	70,327
- Allowance for impairment loss of trade and other receivables	**25,289**	12,602
- Written off advance payments to suppliers	**28,000**	–
- Write-down of inventories	**4,033**	917
- Penalty on non-development of land	**–**	2,930
- Bad debts written off	**2,008**	4,213
- Loss on disposal of property, plant and equipment	**–**	1,187
Included in other income		
- Reversal of impairment of trade receivables	**500**	2,442
Staff costs (including directors' remuneration):		
- Directors' fees	**367**	526
- Salaries, defined contribution plan and other related costs		
- Directors	**1,639**	1,180
- Key management personnel (other than directors)	**293**	743
- Other than directors and key management personnel	**4,008**	5,623

There were no non-audit fees paid to the Company's external auditors for the financial years ended 31 December 2017 and 31 December 2016.

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

7 Income Tax Credit

	Group	
	2017	2016
	RMB'000	RMB'000
Current income tax		
- Current year	**–**	–
- Under provision in prior years	**–**	–
	–	–
Deferred tax liability		
- Reversal of deferred tax liabilitiy	**(286)**	–
Total income tax credit	**(286)**	–

Pursuant to the new PRC enterprise income tax law passed by the Tenth National People's Congress on 16 March 2007, dividends declared by the PRC subsidiary to parent companies incorporated outside the PRC are subjected to withholding tax of 5% to 10%. In accordance with Caishui (2008) No.1 issued by State Tax Authorities, undistributed profits from the PRC subsidiary up to 31 December 2007 will be exempted from withholding tax when they are distributed in future.

A reconciliation between the income tax expense and the product of accounting profit/(loss) multiplied by the applicable tax rate in each jurisdiction the Group operates for the financial year ended 31 December were as follows:

	Group	
	2017	2016
	RMB'000	RMB'000
Loss before income tax from:		
Continuing operations	**(95,011)**	(139,906)
Discontinued operation	**(13,011)**	(15,320)
	(108,022)	(155,226)
Tax at applicable income tax rate of 25%	**(27,006)**	(38,807)
Non-deductible expenses	**8,237**	27,507
Effect of deferred tax assets not recognised	**13,386**	3,491
Effect of different tax rate	**5,383**	7,809
Reversal of deferred tax liability	**286**	–
	286	–

The PRC subsidiaries are taxed on 25% (2016: 25%) for the financial year ended 31 December 2017. The corporate income tax rate applicable to the Company is 17% (2016: 17%) for the financial year ended 31 December 2017.

Subject to agreement with the relevant tax authorities, subsidiaries of the Group, Zhihe (Fujian) Technology Co., Ltd, Ziwo (Fujian) Import and Export Trading Co., Ltd and Quanzhou Yi Xiang Textile Co., Ltd have unutilised tax losses of approximately RMB 306,624,000 (2016: RMB 253,078,000) which are available for offset against future taxable profits provided that the provisions of the PRC tax legislation are complied with. The related deferred tax benefits of approximately RMB 76,656,000 (2016: RMB 63,270,000) arising from the unutilised tax losses have not been recognised in the financial statements in accordance with Note 2(x) to the financial statements.

8 Discontinued operations

In accordance with FRS 105, the non-current asset (or disposal group) to be abandoned not classified as held-for-sale but its entire results are presented separately on the statement of comprehensive income as "Discontinued operations".

The results of the discontinued operations and the re-measurement of the Group are as follows:

	Group	
	2017	2016
	RMB'000	RMB'000
Revenue	**869**	6,679
Cost of sales	**(978)**	(8,055)
Segment results	**(109)**	(1,376)
Income and expenses allocated between segment	**(12,902)**	(13,944)
Loss after tax from discontinued operations	**13,011**	(15,320)

Loss after tax from discontinued operations represents the loss from 30D Terylene Filament Yarn and sandwich mesh business segment after adjustment for unallocated expenses and income tax expenses. Unallocated expenses represent corporate expenses including central administrative expenses, transportation, entertainment and research and development expenses. Income tax expenses cannot be allocated between segments.

Information on 30D Terylene Filament Yarn and sandwich mesh business segment is given in Note 21 and certain common expenses have been allocated to segment to reflect the actual results.

The impact of the discontinued operations on the cash flows of the Group is as follows:

	Group	
	2017	2016
	RMB'000	RMB'000
Operating activity	**(254)**	(3,888)
Net cash outflows	**(254)**	(3,888)

9 Loss per Share

	Group	
	2017	2016
	RMB'000	RMB'000
Continuing operations		
Net loss for the financial year attributable to equity holders of the Company (RMB'000)	**(94,725)**	(139,906)
Weighted average number of ordinary shares in issue during the financial year for the computation of basic earnings per share and diluted earnings per share (in'000)	**440,854**	373,717
Basic and diluted loss per share (RMB cents)	**(21.49)**	(37.44)
Discontinued operations		
Net loss for the financial year attributable to equity holders of the Company (RMB'000)	**(13,011)**	(15,320)
Weighted average number of ordinary shares in issue during the financial year for the computation of basic earnings per share and diluted earnings per share (in'000)	**440,854**	373,717
Basic and diluted loss per share (RMB cents)	**(2.95)**	(4.10)
Total basic and diluted loss per share	**(24.44)**	(41.54)

(a) Basic loss per share

Basic loss per share is calculated on the Group's net loss for the financial year attributable to equity holders of the Company divided by the weighted average number of ordinary shares in issue during the financial year.

(b) Diluted loss per share

The Group did not have any dilutive potential shares for the financial year ended 31 December 2017 and 2016.

10 Land Use Rights

	Land use rights RMB'000
Group	
Cost	
At 1 January 2016, 31 December 2016 and 31 December 2017	51,390
Accumulated amortisation	
At 1 January 2016	2,361
Amortisation charge	565
Impairment loss	34,357
At 31 December 2016	37,283
Amortisation charge	308
Impairment loss	13,799
At 31 December 2017	51,390
Net book value	
At 31 December 2017	–
At 31 December 2016	14,107

The Group has land use right over certain plots of land in the PRC. As at 31 December 2017, the Group's building and land use rights has been fully impaired.

The land use rights were acquired in prior years under the name of the subsidiaries - Zhihe (Fujian) Technology Co., Ltd. and Quanzhou Yixiang Textile Co., Ltd., are located at Western Section, Qingmeng Zone, Economy and Technology Development Zone, Quanzhou City, Fujian Province, the PRC respectively.

During the financial year, the Group carried out a review on the recoverable amount of the land use rights as the future cash flows from the use of the assets cannot generate sufficient cash to cover its book value. The company received notices from the Land and Resource Bureau of Fujian Province. Quanzhou City confirmed that the company's land use rights are not transferable. Accordingly, an impairment loss on land use rights of approximately RMB 13,799,000 (2016: RMB 34,357,000) was recognized in the profit and loss.

11 Property, Plant and Equipment

	Leasehold Building RMB'000	Plant and machinery RMB'000	Furniture, fixtures and office equipment RMB'000	Motor vehicles RMB'000	Total RMB'000
Group					
Cost					
At 1 January 2016	80,303	129,658	742	2,565	213,268
Additions	–	9,449	–	–	9,449
Disposals	–	(2,737)	(30)	(1,243)	(4,010)
Write-off	–	–	–	(451)	(451)
At 31 December 2016	80,303	136,370	712	871	218,256
Additions	–	167	10	–	177
Disposals	–	–	–	(281)	(281)
At 31 December 2017	80,303	136,537	722	590	218,152
Accumulated depreciation and impairment losses					
At 1 January 2016	14,399	101,489	648	2,055	118,591
Depreciation charge	2,702	3,606	25	126	6,459
Disposals	–	(1,540)	(27)	(1,180)	(2,747)
Impairment	47,406	27,004	66	248	74,724
Write-off	–	–	–	(378)	(378)
At 31 December 2016	64,507	130,559	712	871	196,649
Depreciation charge	1,016	420	1	–	1,437
Disposals	–	–	–	(281)	(281)
Impairment	14,780	4,330	–	–	19,110
At 31 December 2017	80,303	135,309	713	590	216,915
Net book value					
As at 31 December 2017	–	1,228	9	–	1,237
As at 31 December 2016	15,796	5,811	–	–	21,607

All property, plant and equipment held by the Group are located at Western Section, Qingmeng Zone, Economy and Technology Development Zone, Quanzhou City, Fujian Province, the PRC.

The company received notices from the Land and Resources Bureau of Fujian Province. Quanzhou City confirmed that the company's property is not transferable.

Subsequently as at the financial year end, the Group carried out a review of the recoverable amount of its plant and equipment due to indicators for impairment in light of the state of the business. The recoverable amount of the plant and equipment has been determined on the basis of their fair value less cost to sell. The fair value was primarily determined based on fair value measurement category within level 3.

In view of the above, the Group has recognised an impairment loss on property, plant and equipment of approximately RMB 19,110,000 (2016: RMB 74,724,000) in the profit and loss.

12 Investment in Subsidiaries

	Company	
	2017	2016
	RMB'000	RMB'000
Unquoted equity investments, at cost	**140,178**	140,178
Impairment allowance (Note 3)	**(140,178)**	(98,270)
	–	41,908

In view that the Company's PRC subsidiaries' state of business, which are indicators for impairment, the Group has carried out a review of the recoverable amount of investment in subsidiaries during the financial year. Arising from the review, the management has made an allowance of impairment loss amounting to RMB 41,908,000 in the financial year ended 31 December 2017 (2016: RMB 95,170,000) for these loss making subsidiaries as a result of their respective recoverable amount being assessed to be less than their respective carrying amount. The recoverable amount of the investment in subsidiaries was determined on the basis of their fair value less cost of disposal. The fair value was primarily determined based on fair value measurement category within Level 3.

	Company	
	2017	2016
	RMB'000	RMB'000
As at 1 January	**98,270**	3,100
Allowance of impairment loss during the year	**41,908**	95,170
As at 31 December	**140,178**	98,270

Details of the Company's subsidiaries as at 31 December 2017 are as follows:

Name of subsidiary	Place of incorporation and operation	Principal activities	Percentage of equity held 2017 %	2016 %
Directly held:				
Zhihe (Fujian) Technology Co., Ltd.	PRC	Research and development, manufacture and sale of 30D terylene filament yarn, sandwich mesh fabric, SBR and other foamed materials	**100**	100
Ziwo (Fujian) Import & Export Trading Co., Ltd.	PRC	Trading in foamed materials, textile, sports and sports accessories, garments and footwears	**100**	100
Indirectly held by Zhihe (Fujian) Technology Co., Ltd.:				
Quanzhou Yixiang Textile Co., Ltd.	PRC	Dormant company	**100**	100

All above subsidiaries are audited by RT LLP, Singapore for the purpose of the consolidated financial statements of the Group.

13 Investment in Associate

	Group		Company	
	2017	2016	**2017**	2016
	RMB'000	RMB'000	**RMB'000**	RMB'000
Unquoted equity investments, at cost	**5,843**	–	5,843	–
Share of results of associate	**(996)**	–	–	–
	4,847	–	5,843	–

Details of the Group's associate as at 31 December 2017 is as follows:

Name of associate	Place of incorporation and operation	Principal activities	Proportion of the Group's effective interest	
			2017	2016
			%	%
Directly held:				
EStar Investments Pte. Ltd.	Singapore	Investment holding company. Its subsidiaries are principally engaged in electric vehicle charging solutions, electric vehicle sharing and the sale of electric mobility vehicles	**45**	–

The Group has recognised its share of current year losses of RMB 996,000 (2016: RMB NIL) at the end of the reporting period.

The summarized financial information of the associate, not adjusted for the proportion of ownership interest held by Group, is as follow:

	Group	
	2017	2016
	RMB'000	RMB'000
Total Asset	**21,403**	–
Total Liabilities	**3,078**	–
Revenue	**187**	–
Net loss for the financial year	**(2,574)**	–
Equity holder of the Company	**(2,214)**	–
Non-controlling interest	**(360)**	–
	(2,574)	–

Reconciliation of the above summarized financial information to the carrying amount of the interest in associate recognized in the consolidated financial statements

	Group	
	2017	2016
	RMB'000	RMB'000
Equity holder of the Company	**(2,214)**	–
Proportion of the Group's ownership interest	**45%**	–
Share of net equity holder of the Company	**(996)**	–
Investment in associate	**5,843**	
Carrying amount of the investment	**4,847**	–

14 Inventories

	Group	
	2017	2016
	RMB'000	RMB'000
At cost:		
Raw materials	**91**	2,094
Work-in-progress	**–**	368
Finished goods	**–**	1,957
	91	4,419
At net realisable value:		
Finished goods	**25**	1,613
	116	6,032

During the financial year ended 31 December 2017, the Group recognised write-down of inventories of approximately RMB 4,033,000 (2016: RMB 1,396,000).

15 Trade and Other Receivables

	Group		Company	
	2017	2016	**2017**	2016
	RMB'000	RMB'000	**RMB'000**	RMB'000
Trade receivables	**10,688**	30,152	**–**	–
Other receivables	**1,610**	2,542	**981**	–
Advances to suppliers	**40**	28,252	**–**	–
Amount due from subsidiaries	**–**	–	**–**	36,251
Amount due from associate	**487**	–	**487**	–
	12,825	60,946	**1,468**	36,251

Trade receivables have credit terms of between 30 to 90 (2016: 30 to 90) days. In accordance to the Group's policy, trade receivables that are outstanding more than 6 months but less than a year are impaired at 50%, whereas, trade receivables that have been outstanding more than a year are fully impaired.

The Group's trade receivables that are impaired at the end of the reporting period and the movement of the allowances accounts used to record the impairment are shown in Note 23(iii).

Advances to suppliers are related to the deposits paid to Beijing Chonglee Machinery Engineering Co. Ltd in 2015 for the construction of a production line which the Company has decided not to proceed with the installation due to the turn in business climate. Following negotiations and the opinion of our solicitors, the Group has written off the advance to suppliers of RMB 28,000,000 (2016: RMB NIL).

Amounts due from subsidiaries and associate are non-trade related, unsecured, non-interest bearing and repayable upon demand.

16 Cash and Cash Equivalents

	Group		Company	
	2017	2016	**2017**	2016
	RMB'000	RMB'000	**RMB'000**	RMB'000
Cash on hand	**50**	30	**1**	–
Cash at bank	**3,107**	2,768	**439**	34
Cash and cash equivalents	**3,157**	2,798	**440**	34

16 Cash and Cash Equivalents (cont'd)

The cash at bank bears effective interest rate from 0.30% to 0.32% (2016: 0.23% to 0.31%) per annum during the financial year.

Included in the cash and cash equivalents are currency denominated in Renminbi amounting to approximately RMB 2,717,000 (2016: RMB 2,764,000) held by the PRC subsidiaries, which are not freely remissible for use by the Company because of currency exchange restrictions.

Cash and cash equivalents are denominated in the following currencies:

	Group		Company	
	2017	2016	**2017**	2016
	RMB'000	RMB'000	**RMB'000**	RMB'000
United States dollar	**–**	17	**–**	17
Singapore dollar	**440**	17	**440**	17
Renminbi	**2,717**	2,764	**–**	–
	3,157	2,798	**440**	34

17 Share Capital

	Group and Company			
	2017		2016	
	Number of shares	**Share Capital**	Number of shares	Share Capital
		RMB'000		RMB'000
Balance at beginning of the year	**373,717,184**	**185,637**	373,717,184	185,637
Issue of shares	**94,209,548**	**9,924**	–	–
Balance at end of the year	**467,926,732**	**195,561**	373,717,184	185,637

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restriction at general meetings of the Company and rank equally with regard to the Company's residual assets.

Pursuant to the sale and purchase agreement entered into on 8 December 2016, 63,800,000 shares at an issue price of S$0.019 per share were paid for the acquisition of Estar. The shares for the acquisition of Estar were issued on 16 February 2017.

The Company entered into a conditional placement agreement on 22 May 2017 with Asia Haause Investments Pte Ltd, pursuant to which the Company shall allot and issue up to 87,503,436 ordinary shares in the capital of the Company for an aggregate subscription amount of up to S$4.0 Million. Pursuant to the conditional placement agreement, 14,814,814 placement shares were issued at $0.027 on 22 May 2017, 7,770,008 and 7,824,726 placement shares were issued at $0.02574 and $0.02556 respectively on 16 August 2017.

18 Statutory Reserve

In accordance with the relevant laws and regulations of the PRC, the subsidiary of the Group established in the PRC are required to transfer 10% of its annual statutory net profit (after offsetting any prior years' losses) to the statutory reserve. When the balance of such reserve reaches 50% of the subsidiary's share capital, any further transfer of its annual statutory net profit is optional. Such reserve may be used to offset accumulated losses or to increase the registered capital of the subsidiary subject to the approval of the relevant authorities. However, except for offsetting prior years' losses, such statutory reserve must be maintained at a minimum of 25% of the share capital after such usage. The statutory reserve is not available for dividend distribution to the shareholders.

19 Other Payables

	Group		Company	
	2017	2016	**2017**	2016
	RMB'000	RMB'000	**RMB'000**	RMB'000
Other payables				
- Advance payment received	**358**	358	**–**	–
- Other payables	**110**	4,045	**110**	3,652
- Provision for retrenchment	**2,123**	–	**–**	–
Amount due to a subsidiary	**–**	–	**–**	14,655
Amount due to a director	**19,699**	6,702	**3,699**	1,702
Accrued operating expenses	**11,899**	9,175	**3,138**	–
	34,189	20,280	**6,947**	20,009

Amount due to a director and subsidiary are unsecured, interest-free and repayable on demand.

Accrued operating expenses consist of salary payables, other tax payables and other accrued operating expenses.

20 Commitments

(a) Operating Lease Commitments

The Group leases office premises from non-related parties under an operating lease agreement. The operating lease payments are negotiated for a term of two years with renewable option. The future minimum lease payables under operating lease contracted for at the reporting period but not recognised as liabilities are as follows:

	Group	
	2017	2016
	RMB'000	RMB'000
Within one year	**14**	14
Between one to five years	**–**	70
	14	84

(b) Capital Commitments

Capital expenditures contracted for purchase of property, plant and equipment at the end of the reporting period but not recognised in the financial statements are as follows:

	Group	
	2017	2016
	RMB'000	RMB'000
Within one year	**–**	7,340
Between one to five years	**–**	2,220
	–	9,560

21 Segments Information

Management determines the operating segments, which represents product category, based on reports reviewed and used for strategic decisions by the Group's chief operating decision maker. The Group's operating segments are organised into three main product segments:

- 30D Terylene filament yarn (Discontinued in year 2015)
- Sandwich mesh fabric (Discontinued in year 2016)
- SBR and other foamed material

Other operation of the Group comprises investment holding which does not constitute a separately reportable segment. As the business of the Group is engaged primarily in the PRC, no reporting by geographical location of operations is presented to the management.

Unallocated costs represent corporate expenses including central administrative expenses, transportation, entertainment and research and development expenses. Segment assets consist primarily of property, plant and equipment, land use rights, trade receivables and inventories. Segment liabilities comprise primarily trade payables and exclude income tax payable and other payables. Capital expenditures comprise additions to property, plant and equipment.

	30D Terylene filament yarn (Discontinued)		Sandwich mesh fabric and others (Discontinued)		SBR and other foamed material		Total	
	2017	2016	**2017**	2016	**2017**	2016	**2017**	2016
	RMB'000	RMB'000	**RMB'000**	RMB'000	**RMB'000**	RMB'000	**RMB'000**	RMB'000
Revenue								
External sales	**–**	13	**869**	6,666	**21,532**	43,191	**22,401**	49,870
Segment results	**–**	(17)	**(109)**	(1,359)	**774**	709	**665**	(667)
Interest income							**9**	53
Other income							**125**	6,381
Unallocated expenses							**(108,821)**	(160,993)
Loss before taxation							**(108,022)**	(155,226)
Income tax expense							**286**	–
Loss after tax							**(107,736)**	(155,226)
Other information								
Capital expenditure	**–**	–	**–**	–	**177**	3,638	**177**	3,638
Depreciation of property, plant and equipment	**–**	–	**124**	719	**1,116**	4,609	**1,240**	5,328
Amortisation of land use rights	**59**	35	**44**	25	**140**	112	**243**	172
Allowance for impairment of trade receivables	**–**	197	**5,096**	9,474	**18,449**	12,602	**23,545**	22,273
Reversal on impairment of trading receivables	**–**	(1,490)	**(406)**	(204)	**(94)**	(2,442)	**(500)**	(4,136)
Bad debts recovered	**–**	(1,406)	**–**	(76)	**–**	–	**–**	(1,482)
Write-down of inventories	**6**	–	**1,767**	479	**1,778**	665	**3,551**	1,144
Bad debt written off	**–**	–	**–**	–	**2,008**	4,213	**2,008**	4,213
Allowance for impairment loss of land use rights	**2,658**	–	**1,993**	–	**6,253**	16,198	**10,904**	16,198
Allowance for impairment loss of property, plant and equipment	**–**	–	**1,416**	4,397	**14,502**	69,694	**15,918**	74,091
Unallocated:								
Capital expenditure							**–**	5,811
Depreciation of property, plant and equipment							**197**	1,131
Allowance for impairment loss of property, plant and equipment							**3,192**	633
Write-down of inventories							**482**	252
Allowance for impairment loss of land use rights							**2,895**	18,159
(Gain)/Loss on disposal of PPE							**(120)**	1,187
Amortisation of land use rights							**65**	393
Allowance for impairment of other receivables							**1,744**	–

21 Segments Information (cont'd)

	30D Terylene filament yarn (Discontinued)		Sandwich mesh fabric and others (Discontinued)		SBR and other foamed material		Total	
	2017	2016	**2017**	2016	**2017**	2016	**2017**	2016
	RMB'000	RMB'000	**RMB'000**	RMB'000	**RMB'000**	RMB'000	**RMB'000**	RMB'000
Segment assets	**–**	1,309	**1,644**	8,784	**10,266**	37,850	**11,910**	47,943
Property, plant and equipment	**–**	–	**122**	532	**984**	5,268	**1,106**	5,800
Land use rights	**–**	1,309	**–**	982	**–**	4,282	**–**	6,573
Inventories	**–**	–	**–**	1,876	**116**	3,542	**116**	5,418
Trade receivables	**–**	–	**1,522**	5,394	**9,166**	24,758	**10,688**	30,152
Unallocated corporate assets:								
Other current assets							**193**	1,074
Cash and cash equivalents							**3,157**	2,798
Other receivables							**2,137**	30,794
Inventories							**–**	614
Land use rights							**–**	7,534
Property, plant and equipment							**131**	15,807
Investments in associated companies							**4,847**	–
Total assets							**22,375**	106,564
Segment liabilities	**–**	–	**–**	–	**–**	–	**–**	–
Unallocated corporate liabilities								
Income tax payable							**–**	286
Other payables							**34,189**	20,280
Total liabilities							**34,189**	20,566

The revenue from external sales reported to the management is measured in a manner consistent with that in the statement of comprehensive income. No single individual customer contributed significantly to the Group's revenue.

Management assesses the performance of the operating segments based on segment results. Segment result represents the profit earned by each segment without allocation of central administrative expenses, transportation, entertainment cost and research and development expenses. This is the measure reported to the management for the purposes of resource allocation and assessment of segment performance.

The amounts provided to the management with respect to total assets are measured in a manner consistent with that of the statements of financial position. For the purposes of monitoring segment performance and allocating resources between segments, management monitors the property, plant and equipment, land use rights, trade receivables and inventories attributable to each segment. All assets are allocated to reportable segments other than other current assets, cash and cash equivalents, other receivables, certain property, plant and equipment and consumables.

22 Significant Related Party Transactions

In addition to the transactions and balances and information disclosed elsewhere in the financial statements, the Group had no other transactions with related parties.

23 Financial Risk Management

The Group and the Company's activities expose it to market risk, credit risk and liquidity risk. The Group's and the Company's overall risk management strategy, which remain unchanged from prior years, seeks to minimise adverse effects from the unpredictability of financial markets on the Group's and the Company's financial performance.

The Board of Directors provides guidance for overall risk management as well as policies covering specific areas. Management analyses and formulates measures to manage the Group's and the Company's exposure to financial risk in accordance with the objectives and underlying principles approved by the Board of Directors. Generally, the Group employs a conservative strategy regarding its risk management. As the Group's and the Company's exposures to market risk and financial risk are kept at a minimum level, the Group and the Company have not used any derivatives or other financial instruments for hedging purposes. The Group and the Company do not hold or issue derivative financial instruments for trading purposes.

(i) Market Risk – currency risk

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

The Group has currency exposures arising from balances that are denominated in a currency other than the functional currency, primarily Singapore Dollar ("SGD") and United States Dollar ("USD"). The Company has currency exposures arising from balances that denominated in a currency other than the functional currency, primarily SGD and USD.

The Group's currency exposure for the financial year ended 31 December 2017 arises from the cash and cash equivalents and trade and other payables which are denominated in SGD and USD. The currency exposures of the net financial (liabilities)/assets denominated in SGD and USD are approximately (RMB 4,544,000) and RMB NIL respectively (2016: (RMB1,685,000) and RMB17,000 respectively).

<u>Sensitivity analysis for currency risk</u>

A 5% strengthening of RMB against the SGD and USD would not be expected to be material to the Group and Company's profit before tax.

(Ii) Market Risk – interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Group and the Company's financial instruments will fluctuate because of changes in market interest rates.

The Group's and the Company's exposure to changes in interest rates relates mainly to interest-bearing bank balances and the exposure is not significant. Therefore, no sensitivity analysis is presented.

(iii) Credit Risk

Credit risk is the risk of financial loss to the Group if a counterparty fails to meet its contractual obligations. Credit risk of the Group arises primarily from the Group's trade receivables.

The Group's exposure to credit risks is restricted by credit limits that are approved by the general manager. The Group typically allows the existing customers credit terms of up to 3 months. In deciding whether credit shall be extended, the Group will take into consideration factors such as the relationship with the customer, its payment history and credit worthiness. In relation to new customers, the sales and marketing department will prepare credit proposals for approval by the general manager.

23 Financial Risk Management (cont'd)

(iii) Credit Risk (cont'd)

The Group performs on-going credit evaluation of its customers' financial position. The concentration of credit risk from the Group's trade receivables is 28% (2016: 16%), comprising 5 (2016: 5) customers as at 31 December 2017.

As the Group does not hold any collateral, the maximum exposure to credit risk for each class of financial instruments is the carrying amount of that class of financial instruments presented on the statement of financial position.

The Group's major classes of financial assets are bank deposits and trade receivables. The Company's major classes of financial assets are bank deposits and other receivables.

Bank deposits are mainly deposits with reputable banks. Trade receivables are mainly customers of good credit- standing.

Financial assets that are neither past due nor impaired

Trade receivables that are neither past due nor impaired amounting to approximately RMB 224,000 (2016: RMB 20,003,000) are creditworthy companies with good payment record with the Group. Bank deposits that are neither past due nor impaired are mainly deposits with banks with high credit ratings and no history of default.

Financial assets that are past due but not impaired

There is no other class of financial assets that is past due but not impaired except for trade receivables as disclosed below.

The age analysis of trade receivables past due at the end of the reporting period but not impaired is as follows:

	Group	
	2017	2016
	RMB'000	RMB'000
Not past due and not impaired	**224**	20,003
Past due but not impaired		
- Past due within 30 days	**–**	3,200
- Past due 31 to 90 days	**–**	6,949
- Past due more than 90 days	**10,464**	–
	10,688	30,152

Trade receivables disclosed above are past due at the end of the reporting period but against which the Group has not recognised an allowance for impairment losses because there has not been a significant change in credit quality and the amounts are still considered recoverable. The Group does not hold any collateral or other credit enhancements over these balances nor does it have a legal right of offset against any amounts owed by the Group to the counterparty.

23 Financial Risk Management (cont'd)

(iii) Credit Risk (cont'd)

The carrying amount of trade receivables individually determined to be impaired at the end of reporting period and the movement in the related allowance for impairment is as follows:

	Group	
	2017	2016
	RMB'000	RMB'000
Trade receivables-nominal amounts	**60,694**	37,649
Less: Allowance for impairment	**(60,694)**	(37,649)
	–	–
Movement in allowance accounts:		
As at beginning of the year	**37,649**	19,512
Charge for the year	**23,545**	22,273
Reversal of impairment on trade receivables	**(500)**	(4,136)
As at end of the year	**60,694**	37,649

The impaired trade receivable arose from long outstanding amounts due from customers which remained unpaid as at the statements of financial position date and accordingly there are significant uncertainties over the recovery of these amounts due from these customers.

The Company's exposure to credit risk arises largely from the other receivables amount due from associate as disclosed in Note 15.

(iv) Liquidity Risk

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

The Group and the Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Group and the Company's objective is to maintain a balance between continuity of funding and flexibility through the use of stand-by credit facilities.

Financial assets are due within one year.

The financial liabilities of the Group and the Company are expected to mature within one year and the contractual undiscounted cash flows of the financial liabilities approximate their carrying amounts. Hence, the maturity profile of financial liabilities is not disclosed.

24 Fair Value of Assets and Liabilities

For financial reporting purpose, fair value measurement are categorised into level 1, 2 or 3 based on the degree to which inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurements in its entirety.

The table below analyses the fair value of the Group's assets that are measured at fair value. The different levels are defined as follows:

Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 fair value measurements are those derived from inputs other than quoted price included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

24 Fair Value of Assets and Liabilities (cont'd)

Level 3 fair value measurements are those derived from valuation techniques that include inputs for the assets or liability that are not based on observable market data (unobservable inputs).

2017	Level 1 RMB'000	Level 2 RMB'000	Level 3 RMB'000	Total RMB'000
Property, plants and equipment	–	–	1,237	1,237
Land use rights	–	–	–	–
	–	–	1,237	1,237
2016				
Property, plants and equipment	–	–	21,607	21,607
Land use rights	–	–	14,107	14,107
	–	–	35,714	35,714

25 Capital Management

The Group's objectives when managing capital are:

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

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

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

(d) To provide an adequate return to shareholders.

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

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

As disclosed in Note 18, the Group's subsidiaries in the PRC are required to contribute to and maintain a non-distributable statutory reserve fund whose utilisation is subject to approval by the relevant PRC authorities. This externally imposed capital requirement has been complied with by the relevant subsidiaries for the financial year ended 31 December 2017 and financial year ended 31 December 2016. The Group is not subject to any other externally imposed capital requirement for the financial year ended 31 December 2017 and financial year ended 31 December 2016.

The Group monitors capital using a net debt-to-equity ratio, which is net debt divided by total equity. The Group includes within net debt, trade and other payables less cash and cash equivalents. Capital includes equity attributable to the equity holders of the Company.

	Group	
	2017 RMB'000	2016 RMB'000
Other payables	**34,189**	20,280
Less: Cash and cash equivalents (Note 16)	**(3,157)**	(2,798)
Net debt	**31,032**	17,482
Equity attributable to owners of the Company	**(11,814)**	85,998
Capital and net debt	**19,218**	103,480

26 Events after the reporting period

The Company's EGM was held on Tuesday,2 January 2018, and voting was conducted by way of poll on the proposed resolutions set out in the notice of EGM dated 11 December 2017:

(i) Ratify the acquisition of 65% of Estar Investments Pte. Ltd.;

(ii) Proposed diversification of core business to green energy related business; and

(iii) Change the name of the Company to one which is reflective of its new core business.

All the resolutions set out in the Notice of EGM were unanimously passed. The Company will be focusing on its plans to pursue new opportunities to stop the declining revenue and gross profit margin.

On 13 February 2018, the Company announced a renounceable non-underwritten rights issue of up to 935,853,464 warrants at an issue price of S$0.0033 for each warrant, with each warrant carrying the right to subscribe for one (1) warrant share in the company at the exercise price of S$0.010 for each warrant share, on the basis of two (2) warrants for every one (1) existing ordinary share of the company held by shareholders as at the books closure date, fractional entitlements to be disregarded (the "rights issue of warrants").

As at the close of the Rights Issue of Warrants on 7 February 2018, being the Closing Date, valid acceptances and Excess Applications for a total of 1,541,865,161 Warrants were received. This represents approximately 164.8% of the total number of Warrants available for subscription under the Rights Issue of Warrants. The 935,853,464 Warrants was listed and quoted on the Official List of the Main Board with effect from 9.00 a.m. on 19 February 2018.

On 14 February 2018, the Company announced that the acquisition by BM Mobility Sdn. Bhd. (the "Purchaser"), a wholly owned subsidiary of Estar Investments Pte. Ltd., which is in turn a 65% subsidiary of the Company, from the Sellers of such number of ordinary shares in Wanted Marketing Communications Sdn. Bhd. (the "Target") representing 99.9992% of the total issued and paid-up share capital of the Target was completed.

The Target holds approximately 75.00% shareholding interest in UniRide Ecotour Sdn. Bhd. ("UniRide"), a Malaysia-incorporated company which is principally engaged in the business of car sharing programme for universities of Malaysia, which focuses on introducing energy efficient vehicles to provide hassle free transportation to achieve better accessibility for universities students and staff within the vicinity of the campus.

27 Authorisation of financial statements for issue

The financial statements for the year ended 31 December 2017 were authorised for issue in accordance with a resolution of the directors on 4 April 2018.

STATISTICS OF **SHAREHOLDINGS**

As at 15 March 2018

NO. OF SHARES ISSUED	:	468,268,732
CLASS OF SHARES	:	ORDINARY SHARES
VOTING RIGHTS	:	ONE VOTE PER SHARE
NO. OF TREASURY SHARES	:	NIL

DISTRIBUTION OF SHAREHOLDINGS

SIZE OF SHAREHOLDINGS	NO. OF SHAREHOLDERS	%	NO. OF SHARES	%
1 - 99	27	2.29	678	0.00
100 - 1,000	100	8.47	42,901	0.01
1,001 - 10,000	231	19.58	1,561,520	0.33
10,001 - 1,000,000	773	65.51	82,804,401	17.68
1,000,001 and above	49	4.15	383,859,232	81.98
TOTAL	1,180	100.00	468,268,732	100.00

TWENTY LARGEST SHAREHOLDERS AS AT 15 MARCH 2018

NO.	NAME	NO. OF SHARES	%
1	PHILLIP SECURITIES PTE LTD	89,204,364	19.05
2	KOO AH SEANG	41,330,000	8.83
3	TAY WEE KWANG	35,101,000	7.50
4	UOB KAY HIAN PTE LTD	21,640,048	4.62
5	MAYBANK KIM ENG SECURITIES PTE LTD	16,224,000	3.46
6	LIM HWAI ENG	10,950,000	2.34
7	LOH SONG QUEE	10,800,000	2.31
8	LIAO JIAN QIN	10,415,800	2.22
9	HONG JIANCHUN	9,791,200	2.09
10	LOO SONG PHEOW	9,173,900	1.96
11	YONG CHOR KEN	8,956,000	1.91
12	CGS-CIMB SECURITIES (S) PTE LTD	8,552,000	1.83
13	LIM SAI GEOK	7,800,000	1.67
14	WANG JIANHONG	7,350,000	1.57
15	OCBC SECURITIES PRIVATE LTD	6,815,800	1.45
16	CHUA SOO HUAN LINDA	6,000,000	1.28
17	RAFFLES NOMINEES (PTE) LTD	5,606,600	1.20
18	LEE EE TEONG	5,220,000	1.11
19	CHAI CHING NEE	4,978,900	1.06
20	CHUA KHOON WONG	4,813,320	1.03
		320,722,932	**68.49**

STATISTICS OF **SHAREHOLDINGS**

As at 15 March 2018

SUBSTANTIAL SHAREHOLDERS

		Direct Interest		Deemed Interests	
No.	**Name**	**No. of shares held**	**%**	**No. of shares held**	**%**
1.	Koo Ah Seang	41,330,000	8.83	–	–
2.	Tay Wee Kwang	35,101,000	7.50	–	–

PERCENTAGE OF SHAREHOLDING IN PUBLIC'S HANDS

As at 15 March 2018, 83.67% of the Company's shares are held in the hands of public. Accordingly, the Company has complied with Rule 723 of the Listing Manual of the SGX-ST which requires 10% of the equity securities excluding treasury shares (excluding preference shares and convertible equity securities) in a class that is listed to be in the hands of the public.

DISTRIBUTION OF WARRANT HOLDINGS

SIZE OF WARRANT HOLDINGS	NO. OF WARRANT HOLDERS	%	NO. OF WARRANTS	%
1 - 99	0	0.00	0	0.00
100 - 1,000	0	0.00	0	0.00
1,001 - 10,000	4	1.23	24,633	0.00
10,001 - 1,000,000	234	72.45	58,210,632	6.22
1,000,001 and above	85	26.32	877,276,199	93.78
TOTAL	323	100.00	935,511,464	100.00

TWENTY LARGEST WARRANT HOLDERS AS AT 15 MARCH 2018

NO.	NAME	NO. OF WARRANTS	%
1	PHILLIP SECURITIES PTE LTD	92,627,299	9.90
2	UOB KAY HIAN PTE LTD	91,476,500	9.78
3	KOO AH SEANG	70,768,000	7.56
4	TAY WEE KWANG	70,202,000	7.50
5	MAYBANK KIM ENG SECURITIES PTE LTD	69,783,000	7.46
6	LOO SONG PHEOW	28,348,000	3.03
7	HONG JIANCHUN	23,382,400	2.50
8	LOH SONG QUEE	21,600,000	2.31
9	YONG CHOR KEN	20,912,000	2.23
10	LIAO JIAN QIN	20,831,600	2.23
11	TEO POH HUA AGNES	20,100,000	2.15
12	LIM HWAI ENG	19,240,000	2.06
13	YAP CHOON CHWEE	18,149,000	1.94
14	WONG WALTER	16,200,000	1.73
15	CGS-CIMB SECURITIES (S) PTE LTD	16,100,000	1.72
16	LIM TIONG KHENG STEVEN	14,706,000	1.57
17	CHUA KHOON WONG	14,527,000	1.55
18	CHUA SOO HUAN LINDA	13,000,000	1.39
19	TAN SOH ENG	11,021,000	1.18
20	LIM SAI GEOK	11,000,000	1.18
		663,973,799	**70.97**

NOTICE OF
ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting of BM Mobility Ltd. (the "**Company**") will be held at 10 Anson Road #36-05A International Plaza, Singapore 079903 on Thursday, 26 April 2018 at 4.00 p.m. for the following purposes:

AS ORDINARY BUSINESS

1. To receive and adopt the Directors' Statement and the Audited Financial Statements of the Company and the Group for the financial year ended 31 December 2017 together with the Auditors' Report thereon. **(Resolution 1)**

2. To approve the payment of Directors' fees of S$125,000 for the financial year ending 31 December 2018, to be paid quarterly in arrears. (2017: S$125,000) **(Resolution 2)**

3. To re-elect Mr. Soh Beng Keng being a Director who is retiring pursuant to Article 91 of the Constitution of the Company, and who, being eligible, is offering himself for re-election. **(Resolution 3)**
[See Explanatory Note (i)]

4. To re-elect Mr. Koo Ah Seang being a Director who is retiring pursuant to Article 97 of the Constitution of the Company, and who, being eligible, is offering himself for re-election. **(Resolution 4)**
[See Explanatory Note (ii)]

5. To re-elect Mr. Loh Ji Kin being a Director who is retiring pursuant to Article 97 of the Constitution of the Company, and who, being eligible, is offering himself for re-election. **(Resolution 5)**
[See Explanatory Note (iii)]

6. To re-appoint Messrs RT LLP, Public Accountants and Chartered Accountants, as the Auditors of the Company for the financial year ending 31 December 2018 and to authorise the Directors of the Company to fix their remuneration. **(Resolution 6)**

AS SPECIAL BUSINESS

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

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

   That pursuant to Section 161 of the Companies Act and Rule 806 of the Listing Manual of the SGX-ST, the Directors of the Company be authorised and empowered to:

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

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

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

   (b) (notwithstanding the authority conferred by this Resolution may have ceased to be in force) issue shares in pursuance of any Instrument made or granted by the Directors of the Company while this Resolution was in force

(the "**Share Issue Mandate**")

provided that:

(1) the aggregate number of shares (including shares to be issued in pursuance of the Instruments, made or granted pursuant to this Resolution) and Instruments to be issued pursuant to this Resolution shall not exceed fifty per centum (50%) of the total number of issued shares (excluding treasury shares and shares of the Company held by its subsidiaries ("**Subsidiary Holdings**")) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below), of which the aggregate number of shares and Instruments to be issued other than on a pro rata basis to existing shareholders of the Company shall not exceed twenty per centum (20%) of the total number of issued shares (excluding treasury shares and Subsidiary Holdings) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below);

(2) (subject to such calculation as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of shares and Instruments that may be issued under sub-paragraph (1) above, the percentage of issued shares and Instruments shall be based on the number of issued shares (excluding treasury shares and Subsidiary Holdings) in the capital of the Company at the time of the passing of this Resolution, after adjusting for:

(a) new shares arising from the conversion or exercise of the Instruments or any convertible securities;

(b) new shares arising from exercising share options or vesting of share awards outstanding and subsisting at the time of the passing of this Resolution; and

(c) any subsequent consolidation or subdivision of shares.

(3) in exercising the Share Issue Mandate conferred by this Resolution, the Company shall comply with the provisions of the Listing Manual of the SGX-ST for the time being in force (unless such compliance has been waived by the SGX-ST) and the Constitution of the Company; and

(4) unless revoked or varied by the Company in a general meeting, the Share Issue Mandate shall continue in force (i) until the conclusion of the next annual general meeting of the Company or the date by which the next annual general meeting of the Company is required by law to be held, whichever is earlier or (ii) in the case of shares to be issued in pursuance of the Instruments, made or granted pursuant to this Resolution, until the issuance of such shares in accordance with the terms of the Instruments.
[See Explanatory Note (iv)] **(Resolution 7)**

8. To transact any other ordinary business which may be properly transacted at an Annual General Meeting.

By Order of the Board

Yap Lian Seng
Company Secretary

Singapore, 11 April 2018

Explanatory Notes:

(i) Resolution 3 – Mr. Soh Beng Keng ("**Mr. Soh**") will, upon re-election, remain as the Lead Independent Director of the Company, Chairman of the Audit Committee and Remuneration Committee, and a member of the Nominating Committee. Mr. Soh will be considered independent pursuant to Rule 704(8) of the Listing Manual of the SGX-ST. Detailed information relating to Mr. Soh can be found under sections "Board of Directors" and "Corporate Governance Report" in the Company's FY2017 Annual Report. Save as disclosed, there are no relationships (including immediate family relationships) between Mr. Soh and other Directors, the Company or its 10% shareholders.

(ii) Resolution 4 – Article 97 of the Company's Constitution permits the Directors to appoint any person to be a Director either to fill a casual vacancy or as an additional Director. Any person so appointed by the Directors shall hold office only until the next annual general meeting and shall then be eligible for re-election, but shall not be taken into account in determining the number of Directors who are to retire by rotation at such meeting. Mr. Koo Ah Seang ("**Mr. Koo**") was appointed as a Non-Executive Director of the Company on 3 July 2017 and re-designated as Executive Chairman on 18 January 2018, and is seeking re-election at the forthcoming annual general meeting ("**AGM**"). Mr. Koo will, upon re-election, remain as an Executive Chairman of the Company. Detailed information relating to Mr. Koo can be found under sections "Board of Directors" and "Corporate Governance Report" in the Company's FY2017 Annual Report. Save as disclosed above, there are no relationships (including immediate family relationships) between Mr. Koo and other Directors, the Company or its 10% shareholders.

(iii) Resolution 5 – Article 97 of the Company's Constitution permits the Directors to appoint any person to be a Director either to fill a casual vacancy or as an additional Director. Any person so appointed by the Directors shall hold office only until the next annual general meeting and shall then be eligible for re-election, but shall not be taken into account in determining the number of Directors who are to retire by rotation at such meeting. Mr. Loh Ji Kin ("**Mr. Loh**") was appointed as an Independent Director of the Company on 8 May 2017, and is seeking re-election at the forthcoming AGM. Mr. Loh will, upon re-election, remain as an Independent Director of the Company. Detailed information relating to Mr. Loh can be found under sections "Board of Directors" and "Corporate Governance Report" in the Company's FY2017 Annual Report. Save as disclosed above, there are no relationships (including immediate family relationships) between Mr. Loh and other Directors, the Company or its 10% shareholders.

(iv) Resolution 7, if passed, will empower the Directors of the Company from the date of the AGM until the date of the next annual general meeting of the Company, or the date by which the next annual general meeting of the Company is required by law to be held or such authority is varied or revoked by the Company in a general meeting, whichever is the earlier, to issue shares, make or grant instruments convertible into shares and to issue shares pursuant to such instruments, up to a number not exceeding, in total, fifty per centum (50%) of the total number of issued shares (excluding treasury shares and Subsidiary Holdings) of the Company, of which up to twenty per centum (20%) may be issued other than on a pro rata basis to existing shareholders of the Company.

For determining the aggregate number of shares that may be issued, the percentage of issued shares in the capital of the Company will be calculated based on the total number of issued shares (excluding treasury shares and Subsidiary Holdings) in the capital of the Company at the time this Resolution is passed after adjusting for new shares arising from the conversion or exercise of the Instruments or any convertible securities, the exercise of share options or the vesting of share awards outstanding or subsisting at the time when this Resolution is passed and any subsequent consolidation or subdivision of shares.

Notes:

1. A member of the Company (other than a Relevant Intermediary*) entitled to attend and vote at the AGM (the "**Meeting**") is entitled to appoint not more than two proxies to attend and vote in his/her stead. A proxy need not be a member of the Company.

2. A Relevant Intermediary may appoint more than two proxies, but each proxy must be appointed to exercise the rights attached to a different share or shares held by him (which number and class of shares shall be specified).

3. The instrument appointing a proxy or proxies must be deposited at the Office of the Company's share registrar, B.A.C.S. Private Limited at 8 Robinson Road, #03-00 ASO Building, Singapore 048544 not less than forty-eight (48) hours before the time appointed for holding the Meeting.

* A Relevant Intermediary is:

(a) a banking corporation licensed under the Banking Act (Chapter 19) or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity; or

(b) a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act (Chapter 289) and who holds shares in that capacity; or

(c) the Central Provident Fund Board established by the Central Provident Fund Act (Chapter 36), in respect of shares purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.

PERSONAL DATA PRIVACY

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

BM MOBILITY LTD.

(Company Registration No. 200800853Z)
(Incorporated In the Republic of Singapore)

IMPORTANT:

1. A relevant intermediary may appoint more than two proxies to attend the Annual General Meeting and vote (please see Note 4).
2. For investors who have used their CPF monies to buy the Company's shares, this proxy form is not valid for use and shall be ineffective for all intents and purposes if used or purported to be used by them.
3. CPF Investors are requested to contact their respective Agent Banks for any queries they may have with regard to their appointment as proxies or the appointment of their Agent Banks as proxies for the Annual General Meeting.

ANNUAL GENERAL MEETING PROXY FORM

(Please see notes overleaf before completing this Form)

I/We, ______________________________ (NRIC/Passport No.) ______________
(Name)

of ____ (Address)

being a member/members of **BM MOBILITY LTD.** (the "**Company**"), hereby appoint:

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

and/or (delete as appropriate)

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

as my/our proxy/proxies to attend and vote for me/us on my/our behalf at the Annual General Meeting (the "Meeting") of the Company to be held at 10 Anson Road #36-05A International Plaza, Singapore 079903 on Thursday, 26 April 2018 at 4.00 p.m. and at any adjournment thereof. I/We direct my/our proxy/proxies to vote for or against the Resolutions proposed at the Meeting as indicated hereunder. If no specific direction as to voting is given or in the event of any other matter arising at the Meeting and at any adjournment thereof, the proxy/proxies will vote or abstain from voting at his/her discretion.

No.	Resolutions relating to:	No. of votes 'For'*	No. of votes 'Against'*
Ordinary Business			
1	To receive and adopt the Directors' Statement and the Audited Financial Statements of the Company and the Group for the financial year ended 31 December 2017 together with the Auditors' Report thereon.		
2	To approve the payment of Directors' fees of S$125,000 for the financial year ending 31 December 2018, to be paid quarterly in arrears.		
3	To re-elect Mr Soh Beng Keng, a Director who retires pursuant to Article 91 of the Constitution of the Company.		
4	To re-elect Mr Koo Ah Seang, a Director who retires pursuant to Article 97 of the Constitution of the Company.		
5	To re-elect Mr Loh Ji Kin, a Director who retires pursuant to Article 97 of the Constitution of the Company.		
6	To re-appoint Messrs RT LLP as Auditors of the Company for the financial year ending 31 December 2018 and to authorise the Directors of the Company to fix their remuneration.		
Special Business			
7	Authority to issue shares		

**If you wish to exercise all your votes 'For' or 'Against', please tick (√) within the box provided. Alternatively, please indicate the number of votes as appropriate.*

Dated this __________ day of ______________ 2018

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

____

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

*Delete where inapplicable

IMPORTANT: PLEASE READ NOTES OVERLEAF

Notes:

1. Please insert the total number of Shares held by you. If you have Shares entered against your name in the Depository Register (as defined in Section 81SF of the Securities and Futures Act, Chapter 289 of Singapore), you should insert that number of Shares. If you have Shares registered in your name in the Register of Members, you should insert that number of Shares. If you have Shares entered against your name in the Depository Register and Shares registered in your name in the Register of Members, you should insert the aggregate number of Shares entered against your name in the Depository Register and registered in your name in the Register of Members. If no number is inserted, the instrument appointing a proxy or proxies shall be deemed to relate to all the Shares held by you.

2. A member of the Company (other than a Relevant Intermediary*), entitled to attend and vote at a meeting of the Company is entitled to appoint one or two proxies to attend and vote in his/her stead. A proxy need not be a member of the Company.

3. Where a member (other than a Relevant Intermediary*) appoints two proxies, the appointments shall be invalid unless he/she specifies the proportion of his/her shareholding (expressed as a percentage of the whole) to be represented by each proxy.

4. A Relevant Intermediary may appoint more than two proxies, but each proxy must be appointed to exercise the rights attached to a different share or shares held by him (which number or class of shares shall be specified).

5. Completion and return of this instrument appointing a proxy shall not preclude a member from attending and voting at the Meeting. Any appointment of a proxy or proxies shall be deemed to be revoked if a member attends the meeting in person, and in such event, the Company reserves the right to refuse to admit any person or persons appointed under the instrument of proxy to the Meeting.

6. The instrument appointing a proxy or proxies must be deposited at the office of the Company's share registrar, B.A.C.S. Private Limited at 8 Robinson Road, #03-00 ASO Building, Singapore 048544 not less than forty-eight (48) hours before the time appointed for the Meeting.

7. The instrument appointing a proxy or proxies must be under the hand of the appointor or of his attorney duly authorized in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its seal or under the hand of an officer or attorney duly authorized. Where the instrument appointing a proxy or proxies is executed by an attorney on behalf of the appointor, the letter or power of attorney or a duly certified copy thereof must be lodged with the instrument.

8. A corporation which is a member may authorize by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the Meeting, in accordance with Section 179 of the Companies Act, Chapter 50 of Singapore, and the person so authorised shall upon production of a copy of such resolution certified by a director of the corporation to be a true copy, be entitled to exercise the powers on behalf of the corporation so represented as the corporation could exercise in person if it were an individual.

* A Relevant Intermediary is:

(a) a banking corporation licensed under the Banking Act (Chapter 19) or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity; or

(b) a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act (Chapter 289) and who holds shares in that capacity; or

(c) the Central Provident Fund Board established by the Central Provident Fund Act (Chapter 36), in respect of shares purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.

GENERAL:

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

PERSONAL DATA PRIVACY:

By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of Annual General Meeting dated 11 April 2018.

BM Mobility Ltd.

Company Registration No. 200800853Z