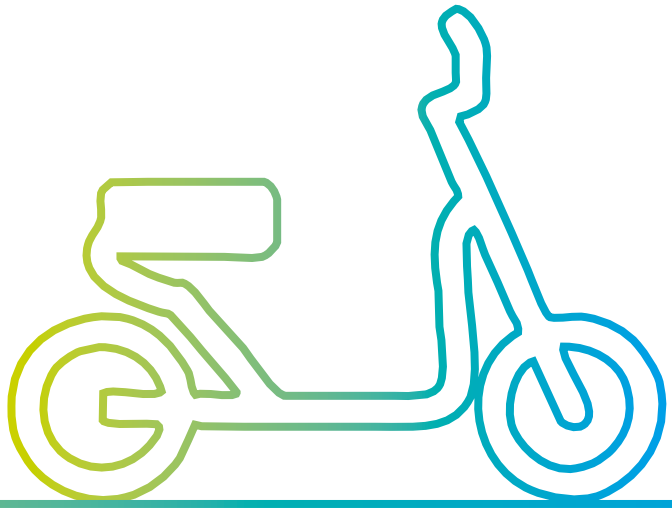
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# ANNUAL REPORT 2018/19

# CONTENTS




01 Corporate Profile
02 Chairman's Message
04 Group Structure
05 Corporate Information
06 Board of Directors
07 Senior Management
08 Corporate Governance Report and Financial Contents

## 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 Investment 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 in turns own Uniride Ecotour Sdn Bhd, which has exclusive rights to run an Electric-Vehicle rental business in three public universities in Malaysia.

# CHAIRMAN'S MESSAGE




**Dear Shareholders,**

The past fiscal year in review has proven to be a challenging one for BM Mobility Ltd. ("BM Mobility" or the "Company. The board ("Board") and management team have been working hard to transition from a raw materials producer in China to further establish our presence in the green energy transportation industry.

## Sharpened Focus On Green Energy With Sale Of Legacy Business

On 1st September 2018, with shareholder approval, BM Mobility proceeded with the sale of its legacy raw material businesses – Zhihe (Fujian) Technology Co Ltd ("Zhihe Technology") and Ziwo (Fujian) Import & Export Trading Co ("Ziwo ImpEx").

Zhihe Technology produces synthetic yarns and fabrics used for making consumer lifestyle products, furniture upholstery and car interior linings. Ziwo ImpEx is a trader of foamed materials, textiles, sports accessories, garments and footwear. Both have ceased operations and had been in the red for three consecutive years due to waning demand and stiff competition in China.

The sale of these legacy businesses (collectively the "Disposal Companies") will significantly bolster BM Mobility's balance sheet and this will allow the Group to better focus on the green energy business.

## Premier Electric Bike Sharing Service in Malaysia

UNiRIDE Ecotour Sdn Bhd ("UNiRIDE"), a vehicle sharing business BM Mobility acquired in January 2018, has acquired several agreements with various universities in Malaysia.

Following the establishment of UNiRIDE, the Company then went on to launch Revgo™ ebikes and escooters in August 2018.

Within the University of Malaya ("UM"), users can rent the escooters for travel within and around the vicinity of the 750-acre campus, which is the size of more than 770 football fields. With a cohort of 22,000 students, we believe there is demand for environmentally-friendly and cost-effective personal transport.

Similarly, International Islamic University Malaysia ("IIUM"), where we have launched our e-bike sharing services also has a large cohort of more than 38,000 students sprawled across some 700-acre campus, whereas Universiti Tenaga Nasional ("UNITEN") has a cohort of 8000 students sharing a campus size of more than 528 acres.

With a combined cohort of 68,000 students and more than 1978 acres in total, we believe the issue of personal mobility is of high importance to all students in the respective universities.

Bookings for the ebikes are made through a smartphone app developed by BM Mobility whereas payment can be made through e-wallets, credit cards or debit cards. In addition, The Company is also able to monitor the battery life of the ebikes in real time using its proprietary app to allow the ease of battery swap for fresh ones on-site when they are low on power.

The Company has plans to establish more presence in other universities in the near future.

## Entry Into Tech Licensing Agreement

The Company had on 28 September 2018 entered into a five-year technology licensing agreement with Eride Sdn. Bhd. to license the Company's electric-vehicle sharing service technology for the purposes of operating electric-vehicle sharing service (the "Business") in selected learning institutions, universities, resorts, and/or places of attraction in Malaysia.

### Financial Performance

The Company had on 20 December 2018 announced the change of its financial year from 31 December to 31 March – covering a period of 15 months from 1 January 2018 to 31 March 2019.

For the 15 months ended 31 March 2019 (15M2019), the Group recorded revenue of RMB 3.7 million which is 100% contributed by its green energy business. The financials for FY2017 has been restated due to discontinued operations of the raw material business. Therefore comparison may not be meaningful.

The Group's ebike sharing services is now deployed in 3 universities and has more than 11,000 members. Total mileage travelled by members was more than 100,000 kilometers across a total of 110,000 rides.

The Group posted a revenue of RMB 3.7 million for 15M2019 and cost of sales of RMB 5.6 million, resulting in a gross loss of RMB 1.9 million. This was mainly due to the reclassification in amortization of intangible asset of RMB 2.2 million as the cost of sales, rather than previously charged to other expenses. Depreciation of the ebikes of RMB 386,000 was also reclassified as cost of sales, where it was previously charged to other operating expenses.

With the change of core business from the raw material business to green energy business, the Company's net loss fell from RMB 107.7 million (12M2017) to RMB 13.3 million (15M2019).

Currents assets comprise mainly inventories, trade and other receivables, prepayments as well as cash and cash equivalents. Current assets increased by RMB 6.7 million from RMB 16.3 million to (12M2017) to RMB 23.0 million (15M2019). Inventories increased by RMB 168,000 from 116,000 (12M2017) to RMB 284,000 (15M2019) mainly attributed to an increase in spare parts. Trade and other receivables decreased by RMB 11.5 million from RMB 12.8 million (12M2017) to RMB 1.3 million (15M2019). The decrease is mainly due to trade and other receivables of the Disposal Companies which had been reclassified as current assets held for sale.

Current liabilities comprise of trade and other payables. Trade and other payables decreased by RMB 26.5 million from RMB 34.2 (12M2017) to RMB 7.7 million (15M2019). The decrease was mainly due to trade and other payables of the Disposal Companies which had been reclassified under liabilities held for sale.

Assets classified as held for sale of the Disposal Companies as at 31 march 2019 was RMB 19.2 million and liabilities classified as held for sale of the Disposal Companies was RMB 32.2 million.

Net cash used in operating activities was RMB 13.1 million (15M2019) compared to RMB 3.7 million (12M2017) due to expansion activities of the Company's green energy business. The Group's cash and cash equivalent decreased to RMB 2.0 million (15M2019) from RMB 3.2 million (12M2017).

### Board Renewal

In line with good corporate governance and as part of efforts to bring new ideas to the Company, the Board is pleased to welcome Mr Geoffrey Ng Ching Fung, appointed as Non-Executive Independent Director with effect from 12 June 2018.

### Moving Forward

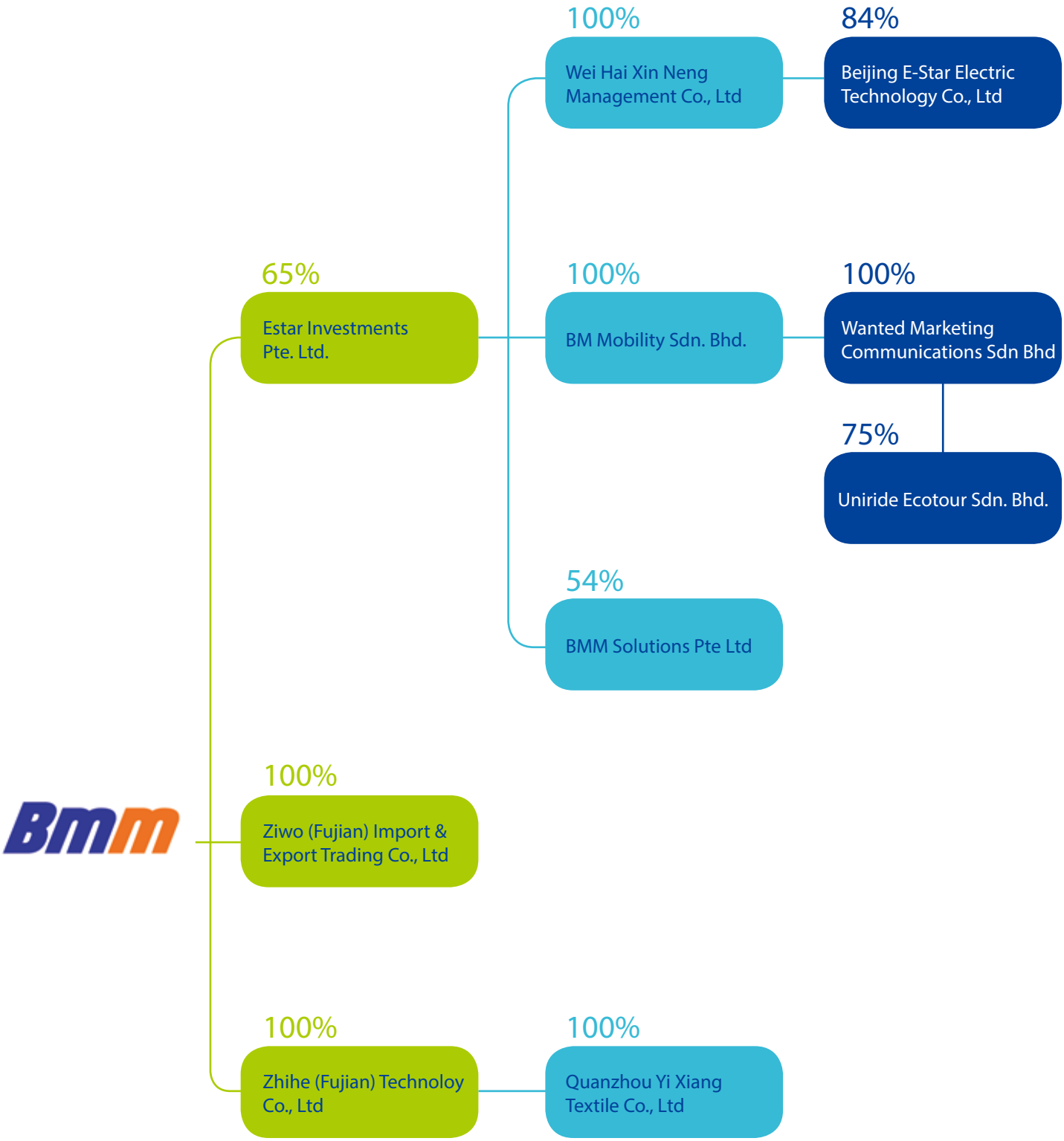
2018 was undoubtedly a challenging and eventful year, where much management effort was focused on restructuring the Company from its legacy business. The past year also witnessed the continued laying of a renewed foundation for the long-term growth of this Company through the expansion of our green energy business in Asia, with our ultimate goal of creating value and strong returns for all stakeholders.

### Note of Appreciation

We appreciate the on-going support of all our key stakeholders and business partners. The Board would also like to express our appreciation to the CEO, Management and all our staff for their dedicated service and commitment, in particular their perseverance and drive to overcome numerous challenges in the past year.

**Koo Ah Seang**
Executive Chairman

# GROUP STRUCTURE



# CORPORATE INFORMATION

## BOARD OF DIRECTORS

**Mr. Koo Ah Seang**
*Executive Chairman*

**Mr. Tay Wee Kwang**
*Executive Director and Chief Executive Officer*

**Mr. Soh Beng Keng**
*Non-Executive Lead Independent Director*

**Mr. Loh Ji Kin**
*Non-Executive Independent Director*

**Mr. Geoffrey Ng Ching Fung**
*Non-Executive Independent Director*

## AUDIT COMMITTEE

**Mr. Soh Beng Keng** *(Chairman)*
**Mr. Loh Ji Kin**
**Mr. Geoffrey Ng Ching Fung**

## NOMINATING COMMITTEE

**Mr. Loh Ji Kin** *(Chairman)*
**Mr. Soh Beng Keng**
**Mr. Geoffrey Ng Ching Fung**

## REMUNERATION COMMITTEE

**Mr. Geoffrey Ng Ching Fung** *(Chairman)*
**Mr. Soh Beng Keng**
**Mr. Loh Ji Kin**

## JOINT COMPANY SECRETARIES

**Ms. Nor Hafiza Alwi**
**Ms. Loh Mei Ling**

## REGISTERED OFFICE

8 Robinson Road
#03-00 ASO Building
Singapore 048544
Tel: (65) 6538 0779 Fax: (65) 6438 7926

## SHARE REGISTRAR

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

## PRINCIPAL BANKERS

United Overseas Bank Limited
CIMB Bank Singapore

## INDEPENDENT AUDITOR

Moore Stephens LLP
10 Anson Road, #29-15 International Plaza
Singapore 079903

Partner-in-charge: Ng Chiou Gee Willy
*(appointed on 22 March 2019)*



# 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 30 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.

## MR. TAY WEE KWANG

Executive Director and Chief Executive Officer

Mr. Tay Wee Kwang was appointed to the board as Non-Executive Director on 3 April 2017 and re-designated as Executive Director and 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 postgraduate studies at NUS for Building Science and Knowledge Engineering.

## MR. SOH BENG KENG

Non-Executive 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 Nanyang University in 1979.

## MR. LOH JI KIN

Non-Executive 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 the Assurance Leader 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 auditors 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. GEOFFREY NG CHING FUNG

Non-Executive Independent Director

Mr. Geoffrey Ng Ching Fung was appointed to the Board as our Non-Executive Independent Director on 12 June 2018. Mr. Ng has 23 years of experience in financial and investment management across a broad range of industries and countries. He is currently Director, Strategic Investments with Fortress Capital Asset Management and has served as CEO and Executive Director with Hong Leong Asset Management. He previously also worked with Dubai Investment Group as Senior Vice President covering global emerging markets and as Chief Investment Officer with Pacific Mutual Fund, a member of the OCBC Group. Mr. Ng holds a Bachelor of Commerce (High Honours) in Accounting and Finance from Carleton University, Canada. He is a Chartered Financial Analyst and Certified Financial Planner. He has also completed the MIT Fintech: Future Commerce certificate course.

## MR. 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 the 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. 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), with a Master of Business Administration (Finance).

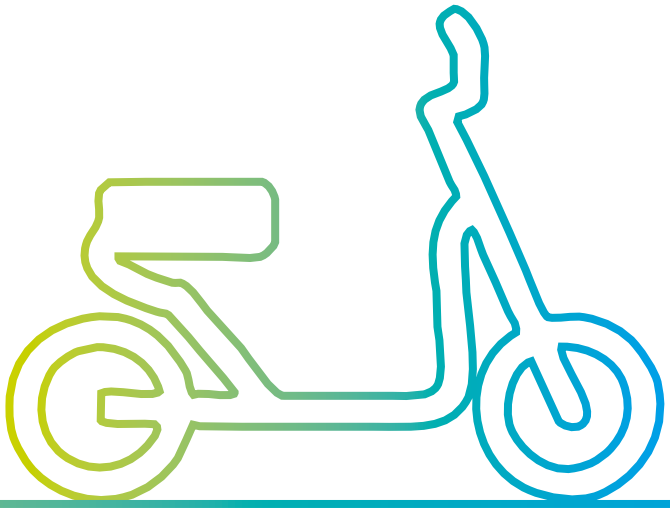
## MR. WAN AHMAD HASBULLAH BIN WAN YUSOF

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) with a Bachelor in Information Technology (Network).

CORPORATE GOVERNANCE REPORT AND

# FINANCIAL CONTENTS




09 Corporate Governance Report
31 Directors' Statement
34 Independent Auditor's Report
37 Consolidated Statement of Comprehensive Income
38 Consolidated Statement of Financial Position
39 Statement of Financial Position
40 Consolidated Statement of Changes in Equity
42 Consolidated Statement of Cash Flows
44 Notes to the Financial Statements
103 Statistics of Shareholdings
105 Statistics of Warrant Holdings
106 Notice of Annual General Meeting
Proxy Form

BM Mobility 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 changed its financial year from 31 December to 31 March. This report describes the Company's corporate governance processes and structures that were in place for the financial period from 1 January 2018 to 31 March 2019 ("**FY2019**"), 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 Company has generally complied with the principles and guidelines as set out in the Code. Where there are deviations from the Code, appropriate explanations have been provided.

## (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 FY2019, the Board has met five times to review and evaluate the Company's operations and performance and address key policy matters. Ad-hoc meetings are held as and when circumstances require. Apart from the Board meetings, 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 FY2019 are as follows:

| Name of Director | Board | | Audit Committee | | Nominating Committee | | Remuneration Committee | |
|---|---|---|---|---|---|---|---|---|
| | No. of meetings applicable | No. of meetings attended | No. of meetings applicable | No. of meetings attended | No. of meetings applicable | No. of meetings attended | No. of meetings applicable | No. of meetings attended |
| Koo Ah Seang | 5 | 5 | 5 | 5* | 1 | 1* | 1 | 1* |
| Tay Wee Kwang [1] | 5 | 5 | 5 | 5 | 1 | 1 | 1 | 1 |
| Soh Beng Keng | 5 | 5 | 5 | 5 | 1 | 1 | 1 | 1 |
| Loh Ji Kin | 5 | 5 | 5 | 5 | 1 | 0 | 1 | 0 |
| Geoffrey Ng Ching Fung [2] | 3 | 3 | 3 | 3 | N.A. | N.A. | N.A. | N.A. |
| **Total number of meetings held during FY2019** | **5** | | **5** | | **1** | | **1** | |

** Attended as invitee.*

(1) Mr. Tay Wee Kwang was the Chairman of the NC and a member of AC and RC before he relinquished his Board Committees' chairmanship and membership on 12 June 2018.

(2) Mr Geoffrey Ng Ching Fung was appointed as Independent Director, Chairman of the RC and member of the AC and NC on 12 June 2018.

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 will be circulated to the Board. 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.

Newly appointed Directors will receive information, by the way of a letter, an email or otherwise, setting out the Director's duties and obligations and will undergo an orientation program where the Executive Director(s) will brief them on the Group's business. Directors also will attend 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 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.

There is no alternate director appointed to the Board as at the date of this Annual Report.

**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 FY2019, the Board comprises two (2) Executive Directors, and three (3) Independent Directors:

| Name of Director | Board | Audit Committee | Nominating Committee | Remuneration Committee |
|---|---|---|---|---|
| Koo Ah Seang | Executive Chairman | – | – | – |
| Tay Wee Kwang | Executive Director and CEO | – | – | – |
| Soh Beng Keng | Lead Independent Director | Chairman | Member | Member |
| Loh Ji Kin | Independent Director | Member | Chairman | Member |
| Geoffrey Ng Ching Fung [(1)] | Independent Director | Member | Member | Chairman |

(1) Mr Geoffrey Ng Ching Fung was appointed as Independent Director of the Company on 12 June 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 judgement on corporate affairs and provide Management with diverse and objective perspective on issues. The NC has reviewed the independence of each Independent Director for FY2019 and is of the view that these Directors are independent.

Mr. Soh Beng Keng has served on the Board for more than nine years, the NC, with the concurrence of the Board, is of the view that in assessing the independence of the Independent Directors, one should consider the substance of his professionalism, integrity and the objectivity and not merely based on the number of years which he has served on the Board. In view of this, having considered the above and weighing the need for progressive refreshing of the Board, the NC and the Board have determined that Mr. Soh Beng Keng's tenure in office has not affected his independence or ability to bring about independent and considered judgement to bear in the discharge of his duties as members of the Board. Mr Soh provide a strong independent element on the Board, being free from any business or other relationship, which could materially interfere with the exercise of his judgement. Furthermore, his length of service on the Board has not only allowed Mr. Soh to gain valuable insight into the Group, its business, markets and industry, but has also given him the opportunity to bring the full breadth and depth of his business experience to the Company.

**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 and finance, business management, industry knowledge and strategic planning experience.

The Independent Directors exercise no Management functions in the Group. The role of the 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 Chief Executive Officer**

***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") is the Executive Chairman of the Company and he is responsible for:

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. encouraging constructive relations between the Board and Management;
5. facilitating the effective contribution of Non-Executive Directors/Independent Directors; and
6. promoting high standards of corporate governance.

Mr. Tay Wee Kwang ("Mr. Tay") is the Executive Director and Chief Executive Officer ("CEO") of the Company. 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 over 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.

**Lead Independent Director**

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 FY2019, the NC comprise of three (3) Independent directors:

**Nominating Committee**

Mr. Loh Ji Kin (Chairman)
Mr. Soh Beng Keng
Mr. Geoffrey Ng Ching Fung

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 adequate 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' provisions in the Company's Constitution.
- Assess the effectiveness of the Board as a whole.

**Process for Selection, Appointment and Re-appointment of Directors**

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, all Directors are required to submit themselves for re-nomination and re-election at regular intervals and at least once every three years. Any Director appointed by the Board during a financial year shall retire at the next Annual General Meeting ("**AGM**") following his/her appointment (such Director shall then be eligible for re-election at that AGM).

The NC has recommended to the Board that Mr. Tay Wee Kwang and Mr. Loh Ji Kin, who shall retire pursuant to Article 91 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. Tay Wee Kwang 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.

Mr. Geoffrey Ng Ching Fung, who is retiring at the forth coming AGM pursuant to Article 97 of the Company's Constitution, has decided not to seek for re-election and will retire as an Independent Director at the conclusion of the AGM. Upon Mr. Geoffrey Ng Ching Fung's retirement, he will cease to be the Chairman of the Remuneration Committee and member of the Audit and Nominating Committees.

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 the Directors Mr. Soh Beng Keng, Mr. Loh Ji Kin and Mr. Geoffrey Ng Ching Fung 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 in page 24 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 | 82,862,700 | 15.65 | – | – |
| Tay Wee Kwang | 68,101,000 | 12.86 | – | – |
| Soh Beng Keng | 200,000 | 0.04 | – | – |
| Loh Ji Kin | – | – | – | – |
| Geoffrey Ng Ching Fung | – | – | – | – |

| | Direct Interest | | Deemed Interest | |
|---|---|---|---|---|
| | No. of Warrants | % of Issued Warrants | No. of Warrants | % of Issued Warrants |
| **Directors** | | | | |
| Koo Ah Seang | 56,167,900 | 6.42 | – | – |
| Tay Wee Kwang | 49,302,000 | 5.64 | – | – |
| Soh Beng Keng | 400,000 | 0.05 | – | – |
| Loh Ji Kin | – | – | – | – |
| Geoffrey Ng Ching Fung | – | – | – | – |

**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 FY2019.

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 FY2019 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 her 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 her 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 FY2019, the RC comprise of three (3) Independent directors:

**Remuneration Committee**

Mr. Geoffrey Ng Ching Fung (Chairman)
Mr. Soh Beng Keng
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 and Independent 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 has entered into service agreements with the Executive Directors Mr. Koo and Mr. Tay. 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.***

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 effort 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.

Breakdown of each individual Director's remuneration, showing the level and mix of each individual director's remuneration paid or payable for FY2019, are as follows:

| Name of Directors | Salary | Bonus | Directors' fees | Total |
|---|---|---|---|---|
| | % | % | % | % |
| **From S$250,000 to S$350,000** | | | | |
| Koo Ah Seang | 100 | – | – | 100 |
| Tay Wee Kwang | 100 | – | – | 100 |
| **Below S$150,000** | | | | |
| Soh Beng Keng | – | – | 100 | 100 |
| Loh Ji Kin | – | – | 100 | 100 |
| Geoffrey Ng Ching Fung | – | – | 100 | 100 |

The Company has only two key management personnel (who are not Directors or CEO) during FY2019 and the details of remuneration paid to them are set out below:-

| Name of Key Management Personnel | Salary | Bonus | Others | Total |
|---|---|---|---|---|
| | % | % | % | % |
| **Below S$150,000** | | | | |
| Mr. Wilson Chua Yoong Hai [(1)] | 100 | – | – | 100 |
| Mr. Lim Gwo Bin [(2)] | 100 | – | – | 100 |

(1) Mr Wilson Chua Yoong Hai was the General Manager for Finance and Administration of the Company and has resigned on 25 January 2019.

(2) Mr Lim Gwo Bin was the Group Finance Controller for period during 8 February 2019 to 9 April 2019.

In the FY2019, the aggregate amount of remuneration paid to the above key management personnel was approximately S$100,000.

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 FY2019.

There is no employee of the Group who is an immediate family member of any Director or the CEO whose remuneration exceeds S$50,000 for the FY2019.

## (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 Executive Chairman and CEO 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 March 2019.

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 judgement in decision-making, human error, losses, fraud or other irregularities.

The Board had received assurance from the Executive Chairman and CEO that:

- the financial records as at 31 March 2019 have been properly maintained and the financial statements for FY2019 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 FY2019, the AC comprise of three (3) Independent directors:

**Audit Committee**

Mr. Soh Beng Keng (Chairman)
Mr. Loh Ji Kin
Mr. Geoffrey Ng Ching Fung

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 Geoffrey Ng Ching Fung is a Chartered Financial Analyst and Certified Financial Planner.

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. The AC convened five meetings during FY2019. It also has the discretion to invite any Director or Management to attend its meetings.

Moore Stephens LLP was appointed the auditors of the Company on 22 March 2019 in place of RT LLP. The AC has recommended and the Board has approved that Moore Stephens LLP be nominated for reappointment as external auditors at the forthcoming AGM of the Company.

The Group has complied with Rules 712, 715 and 716 of the Listing Manual of the SGX-ST with regard to the appointment of auditors for the Company and its subsidiaries. No former partner or Director of Moore Stephens LLP has acted as a member of the AC, and none of the members of the AC hold any financial interest in Moore Stephens LLP.

The AC meets with the external auditors without the presence of the Management at least once a year. The AC conducted a review of the audit and non-audit services provided by the external auditors. There were no non-audit services rendered by the external auditors to the Group. For FY2019, 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.

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. The Board is not recommending any dividends for the FY2019 because of losses incurred and the financial position of the Company.

**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.

Separate resolutions are proposed at general meetings for each distinct issue. 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.

Voting in absentia by email, mail or fax is not implemented due to authentication and other security related concerns,

**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.

The Company does not have a general mandate for interested person transaction (IPT).

| Name of interested person | Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than S$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920) | Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than S$100,000) |
|---|---|---|
| Nil | Nil | Nil |

**Sustainability Report**

The Company will be issuing its Sustainability Report for the FY2019 within 5 months from its financial year end and such report will be made available to shareholders on the SGXNet.

**USE OF PROCEEDS - RIGHTS ISSUE OF WARRANTS**

| Description | RMB'000 | RMB'000 |
|---|---|---|
| Net Proceeds from Rights Issue of Warrants | | 13,773 |
| Net Proceeds from Conversion of Warrants | | 3,079 |
| **Total Net Proceeds** | | **16,852** |
| Use of Proceeds: | | |
| Operating Expenses (business expansion, professional fee, administrative expenses, salaries and etc.) | | (13,446) |
| Genaral Corporate Purposes: | | (3,406) |
| Acquisition of 65% Estar Investments Pte Ltd | (2,099) | |
| Acquisition of Wanted Marketing Communication Sdn Bhd | (1,307) | |
| **Total Payments** | | **(16,852)** |
| **Balance as at the date of this Annual Report** | | **–** |

The above use of proceeds are in accordance with the allocation as stated in the Company's circular dated 29 December 2017 and approved by the shareholders of the Company at the extraordinary general meeting held on 15 January 2018.

## PARTICULARS OF DIRECTORS PURSUANT TO THE CODE OF CORPORATE GOVERNANCE AS AT 31 MARCH 2019

*(with reference to page 14 of the Corporate Governance Report)*

| Name of Director | Academic Professional Qualifications | Board Appointment Executive/Non-executive | Board Committee 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. Koo Ah Seang | Bachelor of Commerce | Executive Chairman | Chairman of the Board | 3 July 2017 | 26 April 2018 | NIL | OLS Enterprise Ltd. (n.k.a. 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 | Executive Director and Chief Executive Officer | Board Member | 3 April 2017 | 27 April 2017 | Sino TechFibre Limited | 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 | Non-Executive Lead Independent Director | Board Member, Chairman of AC and Member of NC and RC | 25 August 2009 | 26 April 2018 | • ISDN Holdings Limited<br>• China Haida Ltd<br>• Sino Grandness Food Industry Group Limited | NIL |
| Mr. Loh Ji Kin | Bachelor of Accountancy; Registered Public Accountant and member of the Institute of Singapore Chartered Accountants | Non-Executive Independent Director | Board Member, Chairman of NC and Member of AC and RC | 8 May 2017 | 26 April 2018 | NIL | NIL |
| Mr. Geoffrey Ng Ching Fung | Bachelor of Commerce (High Honours) in Accounting and Finance | Non-Executive Independent Director | Board Member, Chairman of RC and Member of AC and NC | 12 June 2018 | – | Fortress Capital Asset Management (M) Sdn Bhd | • OLS Enterprise Limited (n.k.a. Pine Capital Group Limited)<br>• Kronologi Asia Berhad |

## DISCLOSURE OF INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Mr Tay Wee Kwang and Mr Loh Ji Kin are the Directors seeking re-election at the forthcoming Annual General Meeting of the Company to be convened on 16 August 2019 ("AGM") (collectively, the "Retiring Directors" and each a "Retiring Director").

Pursuant to Rule 720(6) of the Listing Manual of the SGX-ST, the following is the information relating to the Retiring Directors as set out in Appendix 7.4.1 to the Listing Manual of the SGX-ST:

| | **Mr Tay Wee Kwang** | **Mr Loh Ji Kin** |
|---|---|---|
| Date of Appointment | 3 April 2017 | 8 May 2017 |
| Date of last re-appointment | 27 April 2017 | 26 April 2018 |
| Age | 62 | 48 |
| Country of principal residence | Singapore | Singapore |
| The Board's comments on this appointment (including rationale, selection criteria, and the search and nomination process) | The re-election of Mr Tay Wee Kwang as the Executive Director of the Company was recommended by the NC and the Board has accepted the recommendation, after taking into consideration his expertise, performance, overall contributions, and competencies in fulfilling his responsibility as Director and CEO of the Company. | The re-election of Mr Loh Ji Kin as the Independent Director of the Company was recommended by the NC and the Board has accepted the recommendation, after taking into consideration his expertise, performance, overall contributions, and competencies in fulfilling his responsibility as Director and Board Committees of the Company. |
| Whether appointment is executive, and if so, the area of responsibility | Executive. Mr Tay Wee Kwang is responsible for the overall management of the Group and development of new business strategies. | Non-Executive |
| Job Title (e.g. Lead ID, AC Chairman, AC Member, etc) | Executive Director and Chief Executive Officer | Non-Executive Independent Director, Chairman of Nominating Committee, Member of Audit and Remuneration Committees |
| Professional qualifications | BSc in Electronics and Electrical Engineering; MBA in General Management; Senior Member of the Institute of Engineers Singapore | Bachelor of Accountancy; Registered Public Accountant and member of the Institute of Singapore Chartered Accountants |

## DISCLOSURE OF INFORMATION ON DIRECTORS SEEKING RE-ELECTION (CONT'D)

| | Mr Tay Wee Kwang | Mr Loh Ji Kin |
|---|---|---|
| Working experience and occupation(s) during the past 10 years | January 2018 to Present<br>Executive Director and Chief Executive Officer – BM Mobility Ltd.<br><br>April 2017 to January 2018<br>Non-Executive Director – BM Mobility Ltd.<br><br>August 2011 to Present<br>Owner and Legal Representative – Wei Hai Xin Neng Management Co Ltd.<br><br>August 2012 to Present<br>Non-Executive Director – Sino TechFibre Limited<br><br>April 2011 to August 2012<br>Interim Chief Executive Officer – Sino TechFibre Limited<br><br>August 2012 to July 2014<br>Engineering Advisor – Elektromotive Ltd.<br><br>September 1997 to September 2009<br>Director, Business Development and Chief Operating Officer – China Enersave Ltd | April 2010 to Present<br>Director, Nexia TS Public Accounting Corporation, Singapore<br><br>1995 to 2010: Senior Manager (Last Position), PricewaterhouseCoopers Singapore |
| Shareholding interest in the listed issuer and its subsidiaries | Mr Tay Wee Kwang is holding 68,101,000 ordinary shares and 49,302,000 warrants | No |
| Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries | No | No |
| Conflict of Interests (including any competing business) | No | No |
| Undertaking (in the format set out in Appendix 7.7) under Rule 720(1) has been submitted to the listed issuer | Yes | Yes |

**DISCLOSURE OF INFORMATION ON DIRECTORS SEEKING RE-ELECTION (CONT'D)**

| | Mr Tay Wee Kwang | Mr Loh Ji Kin |
|---|---|---|
| **Other Principal Commitments* Including Directorships#** | | |
| Past (for the last 5 years) | 1. Asia Renewable Energy Pte Ltd<br>2. Changyi EnerSave Biomass Energy Co. Ltd<br>3. HongWei Technologies Limit<br>4. W Corporation Limit<br>5. Sincap Holdings Limited | Nil |
| Present | 1. Mattias Jonson Investment Limited<br>2. Sino TechFibre Limited<br>3. WeiHai XinNeng Management Co Ltd.<br>4. Beijing E-Star Electric Technology Co. Ltd.<br>5. BM Mobility Sdn Bhd<br>6. Wanted Marketing Communication Sdn Bhd | 1. Director, Nexia TS Public Accounting Corporation, Singapore |
| **Disclose the following matters concerning an appointment of director, chief executive officer, chief financial officer, chief operating officer, general manager or other officer of equivalent rank. If the answer to any question is "yes", full details must be given.** | | |
| (a) Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner? | No | No |
| (b) Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency? | No | No |

## DISCLOSURE OF INFORMATION ON DIRECTORS SEEKING RE-ELECTION (CONT'D)

| | Mr Tay Wee Kwang | Mr Loh Ji Kin |
|---|---|---|
| (c) Whether there is any unsatisfied judgment against him? | No | No |
| (d) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose? | No | No |
| (e) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach? | No | No |
| (f) Whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part? | No | No |
| (g) Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust? | No | No |

**DISCLOSURE OF INFORMATION ON DIRECTORS SEEKING RE-ELECTION (CONT'D)**

| | Mr Tay Wee Kwang | Mr Loh Ji Kin |
|---|---|---|
| (h) Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust? | No | No |
| (i) Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity? | No | No |
| (j) Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of:–<br>i. any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or<br>ii. any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or<br>iii. any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or<br>iv. any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere<br><br>in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust? | No | No |

**DISCLOSURE OF INFORMATION ON DIRECTORS SEEKING RE-ELECTION (CONT'D)**

| | Mr Tay Wee Kwang | Mr Loh Ji Kin |
|---|---|---|
| (k) Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere? | Yes.<br>Mr. Tay received a warning letter from the Monetary Authority of Singapore in November 2017. The subject matter of the letter was in respect of his delayed disclosure of interest in the Company following a change in his percentage interest in the Company due to new shares issued by the Company on 13 June 2017 pursuant to a fund raising exercise. There was no change in the number of shares held by Mr. Tay. No regulatory action was taken by the Monetary Authority of Singapore in respect of the aforementioned delayed disclosure. | No |
| **Disclosure applicable to the appointment of Director only** | | |
| Any prior experience as a director of a listed company?<br><br>If yes, please provide details of prior experience.<br><br>If no, please state if the director has attended or will be attending training on the roles and responsibilities of a director of a listed issuer as prescribed by the Exchange.<br><br>Please provide details of relevant experience and the nominating committee's reasons for not requiring the director to undergo training as prescribed by the Exchange (if applicable). | N.A. | N.A. |

The directors present their statement to the members together with the audited consolidated financial statements of BM Mobility Ltd. (the "Company") and its subsidiaries (collectively, the "Group") for the financial period from 1 January 2018 to 31 March 2019 and the statement of financial position of the Company as at 31 March 2019.

In the opinion of the directors,

(a) the consolidated financial statements of the Group and the statement of financial position of the Company are drawn up 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 March 2019 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group for the financial period from 1 January 2018 to 31 March 2019; and

(b) at the date of this statement, there are reasonable grounds to believe that the Group and the Company will be able to pay their debts as and when they fall due, for the reasons set out in Note 3(b) to the financial statements.

## 1 Directors

The Directors of the Company in office at the date of this statement are:

Koo Ah Seang - Executive Chairman
Tay Wee Kwang - Executive Director and Chief Executive Officer
Soh Beng Keng - Non-Executive Lead Independent Director
Loh Ji Kin - Non-Executive Independent Director
Geoffrey Ng Ching Fung - Non-Executive Independent Director (Appointed on 12 June 2018)

## 2 Arrangements to Enable Directors to Acquire Shares or Debentures

Neither at the end of nor at any time during the financial period 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.

## 3 Directors' Interests in Shares or Debentures

The following directors, who held office at the end of the financial period, had, according to the register of directors' shareholdings required to be kept under Section 164 of the Singapore Companies Act, Chapter 50, interests in shares and warrants of the Company, and of related corporations, as follows:

| | Direct interest | | Deemed interest | |
|---|---|---|---|---|
| | As at 1/1/18 or at date of appointment, if later | As at 31/3/19 | As at 1/1/18 or at date of appointment, if later | As at 31/3/19 |
| The Company | | | | |
| *No of ordinary shares* | | | | |
| Koo Ah Seang | 31,484,000 | 82,862,700 | – | – |
| Tay Wee Kwang | 35,101,000 | 68,101,000 | – | – |
| Soh Beng Keng | 200,000 | 200,000 | – | – |
| *No of warrants* | | | | |
| Koo Ah Seang | – | 56,167,900 | – | – |
| Tay Wee Kwang | – | 49,302,000 | – | – |
| Soh Beng Keng | – | 400,000 | – | – |
| Estar Investments Pte. Ltd. | | | | |
| Koo Ah Seang | 70,070 | 70,070 | – | – |
| Tay Wee Kwang | 163,170 | 163,170 | – | – |

**3 Directors' Interests in Shares or Debentures** (cont'd)

There was no change in the above-mentioned directors' interests between the end of the financial period and 21 April 2019.

Except as disclosed in this statement, no director who held office at the end of the financial period had interests in shares, warrants or debentures of the Company, and of related corporations, either at the beginning of the financial period, or date of appointment, if later, or at the end of the financial period.

**4 Options Granted**

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

**5 Options Exercised**

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

**6 Options Outstanding**

At the end of the financial period, there were no unissued shares of the Company or its subsidiaries under option.

**7 Warrants**

On 14 February 2018, the Company issued 935,853,464 listed 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 (defined as new shares to be allotted and issued by the Company, credited as fully paid, upon the exercise of the warrants) 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.

As at the end of the financial period, details of the warrants of the Company are set out as below.

| Date of issue | Warrants issued | Warrants exercised | Warrants outstanding as at 31/3/19 | Date of expiry |
|---|---|---|---|---|
| 14/2/18 | 935,853,464 | (61,486,000) | 874,367,464 | 13/2/21 |

As at the end of the financial period, except as disclosed above, no other warrants to take up unissued shares of the Company were granted and no shares were issued by virtue of the exercise of warrants to take up unissued shares of the Company. Except for the above outstanding warrants, no other options to take up unissued shares of the Company were outstanding as at the end of the financial period.

**8 Audit Committee**

The Audit Committee ("AC") comprises the following independent directors at the date of this statement:

Soh Beng Keng (Chairman)
Loh Ji Kin
Geoffrey Ng Ching Fung

The duties of the AC, amongst other things, include:

(i) review the audit plan of the external auditors of the Company and reviewed the assistance given by the Group and the Company's management to the external auditors;

**8 Audit Committee** (cont'd)

(ii) review the quarterly financial information and annual financial statements and the auditors' report on the annual financial statements of the Group before their submission to the Board of Directors (the "Board");

(iii) meet with the external auditors and management in separate executive sessions to discuss any matters that they believe should be discussed privately with the AC;

(iv) review 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;

(v) review the cost effectiveness and the independence and objectivity of the external auditors, and the nature and extent of non-audit services provided by the external auditors;

(vi) recommend to the Board the external auditors to be nominated, and review the scope and results of the audit;

(vii) report actions and minutes of the AC to the Board with such recommendations as the AC considered appropriate;

(viii) review interested persons transactions in accordance with the requirements of the SGX-ST Listing Manual; and

(ix) undertake such other functions and duties as may be agreed to by the AC and the Board.

The AC carried out its functions in accordance with Section 201B(5) of the Singapore Companies Act, Chapter 50, the Code of Corporate Governance and the SGX-ST Listing Manual and assists the Board in the execution of its corporate governance responsibilities within its established terms of reference.

The AC has also undertaken a review of the nature and extent of non-audit services provided by the external auditors, and was of the opinion that there were no non-audit services rendered that would affect the independence of the external auditors.

Further information regarding the AC are detailed in the Corporate Governance Report included in the Annual Report of the Company.

The AC has recommended to the Board that the independent auditors, Moore Stephens LLP, be nominated for reappointment at the forthcoming Annual General Meeting of the Company.

**10 Independent Auditors**

The auditors, Moore Stephens LLP, have expressed their willingness to accept re-appointment.

On behalf of the Board of Directors,

Koo Ah Seang
Director

Tay Wee Kwang
Director

Singapore
26 July 2019

# INDEPENDENT AUDITOR'S REPORT

To the Members of BM Mobility Ltd.
(Incorporated in Singapore)

**Report on the Audit of the Financial Statements**

*Disclaimer of Opinion*

1. We were engaged to audit the financial statements of BM Mobility Ltd. (the "Company") and its subsidiaries (collectively, 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 March 2019, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group for the financial period from 1 January 2018 to 31 March 2019, and notes to the financial statements, including a summary of significant accounting policies.

2. We do not express an opinion on the financial statements of the Group and the statement of financial position of the Company. Because of the significance of the matters described in the *"Basis for Disclaimer of Opinion"* section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

*Basis for Disclaimer of Opinion*

Opening Balances

3. During the audit, we have not been provided with access to the accounting and other records of the entities that comprised the Disposal Group disclosed in Note 9. Accordingly, we were unable to perform the necessary audit procedures, nor were we able to perform alternative audit procedures, on the opening balances as reflected in the consolidated statements of financial position of the Group as at 31 December 2017 and 1 January 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 financial year ended 31 December 2017.

4. Since the opening balances as at 1 January 2018 are entered into the determination of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group for the financial period from 1 January 2018 to 31 March 2019 and the financial position of the Group as at 31 March 2019, we were unable to determine whether any adjustments might have been necessary in respect of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group for the financial period from 1 January 2018 to 31 March 2019 and the consolidated financial position of the Group as at 31 March 2019.

Discontinued Operations of Disposal Group

5. In view of the matters discussed in paragraph 3 above, we were unable to obtain sufficient appropriate audit evidence in relation to the loss on discontinued operations of the Disposal Group included in the consolidated statement of comprehensive income of the Group for the financial period from 1 January 2018 to 31 March 2019 amounting to RMB1,334,000 (Note 9) and the assets and liabilities related to the Disposal Group included in the consolidated statement of financial position as at 31 March 2019 amounting to RMB19,286,000 and RMB32,263,000, respectively (Note 10). Consequently, we were unable to determine whether any adjustments might be necessary to these amounts shown in the financial statements for the financial period from 1 January 2018 to 31 March 2019 and as at 31 March 2019.

Impairment of Goodwill and Intangible Assets

6. As disclosed in Notes 14 and 15 to the financial statements, the Group has goodwill and intangible assets amounting to RMB3,375,000 and RMB8,450,000, respectively, as at 31 March 2019. Management has determined that no impairment is required on the Group's goodwill and intangible assets as their recoverable amounts exceeded the carrying amounts as at 31 March 2019.

7. We were unable to obtain sufficient appropriate audit evidence to satisfy ourselves on the reasonableness of the key assumptions and inputs used in the determination of the recoverable amounts of the Group's goodwill and intangible assets. Consequently, we were unable to determine whether any adjustments might be necessary in respect of the carrying amounts of the Group's goodwill and intangibles assets as at 31 March 2019.

*Basis for Disclaimer of Opinion* (cont'd)

Appropriateness of Going Concern Assumption

8. As disclosed in Note 3(b) to the financial statements, for the financial period from 1 January 2018 to 31 March 2019, the Group has incurred a total net loss of RMB13,367,000 and a total comprehensive loss of RMB13,375,000 and has net cash used in operating activities amounting to RMB13,133,000. As at 31 March 2019, the Group's and the Company's current liabilities exceeded its current assets by RMB16,957,000 and RMB5,012,000, respectively, and the Group and the Company have deficit in shareholders' funds amounting to RMB4,449,000 and RMB3,338,000, respectively.

9. These factors indicate the existence of material uncertainties that may cast significant doubt about the Group's and the Company's ability to continue as going concerns and to realise their assets and discharge their liabilities in the ordinary course of business. Management has prepared the financial statements on a going concern basis on the assumption that the Group and the Company will continue as going concerns. The ability of the Group and the Company to continue as going concerns is dependent on certain assumptions and various efforts by the Group as disclosed in Note 3(b) to the financial statements, the outcome of which is inherently uncertain.

10. In view of the material uncertainties as disclosed in paragraph 8 above, we were unable to obtain sufficient appropriate audit evidence to satisfy ourselves as to the appropriateness of the use of the going concern assumption in the preparation of these financial statements.

11. In the event the Group and the Company are unable to continue as going concerns, the Group and the Company may be unable to discharge their liabilities in the normal course of business and adjustments may have to be made to reflect the situation that assets may need to be realised other than in the normal course of business and at amounts which could differ significantly from the amounts at which they are recorded in the statement of financial position. In addition, the Group and the Company may have to provide for further liabilities that might arise, and to reclassify non-current assets and non-current liabilities as current assets and current liabilities respectively. No such adjustments have been made to these financial statements.

*Other Matter*

12. The financial statements for the financial year ended 31 December 2017 were audited by another firm of auditors who expressed an unmodified opinion on those financial statements in their report dated 4 April 2018.

*Responsibilities of Management and Directors for the Financial Statements*

13. Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Singapore Companies Act, Chapter 50 (the Act) and Singapore Financial Reporting Standards (International) (SFRS(I)s), and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

14. 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.

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

# INDEPENDENT AUDITOR'S REPORT

To the Members of BM Mobility Ltd.
(Incorporated in Singapore)

*Auditor's Responsibility for the Audit of the Financial Statements*

16. Our responsibility is to conduct an audit of the financial statements in accordance with Singapore Standards on Auditing (SSAs) and to issue an auditor's report. However, because of the matters described in the *"Basis for Disclaimer of Opinion"* section of our report, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

17. 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.

**Report on Other Legal and Regulatory Requirements**

18. In our opinion, except for the matters referred to in the *"Basis for Disclaimer of Opinion"* section of our report, the accounting and other records required by the Act to be kept by the Company and by those subsidiary corporations incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

19. The engagement partner on the audit resulting in this independent auditor's report is Mr Ng Chiou Gee Willy.

**Moore Stephens LLP**
Public Accountants and
Chartered Accountants

Singapore
26 July 2019

# CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the financial period from 1 January 2018 to 31 March 2019

| | Notes | Group | |
|---|---|---|---|
| | | Period from 1/1/18 to 31/3/19 | Year ended 31/12/17 |
| | | RMB'000 | RMB'000 (Restated) |
| **Continuing operations** | | | |
| Revenue | 5 | 3,720 | – |
| Cost of sales | | (5,624) | – |
| Gross loss | | (1,904) | – |
| Other income | | 66 | – |
| Selling and distribution expenses | | (100) | – |
| Administrative expenses | | (8,898) | (3,583) |
| Other operating expenses | | (1,197) | – |
| Share of results of associate | | – | (996) |
| Loss before income tax | 6 | (12,033) | (4,579) |
| Income tax | 8 | – | – |
| **Loss for the period/year from continuing operations** | | (12,033) | (4,579) |
| **Discontinued operations** | | | |
| Loss for the period/year from discontinued operations | 9 | (1,334) | (103,157) |
| **Total loss for the period/year** | | (13,367) | (107,736) |
| **Other comprehensive loss, net of tax:** | | | |
| *Items that will not be reclassified to profit or loss:* | | | |
| Net fair value loss on investment security at fair value through other comprehensive income | | (180) | – |
| *Items that may be subsequently reclassified to profit or loss:* | | | |
| Exchange differences on translation | | 172 | – |
| **Total comprehensive loss for the period/year** | | (13,375) | (107,736) |
| **Total loss for the period/year attributable to:** | | | |
| Equity holders of the Company | | (10,181) | (107,736) |
| Non-controlling interests | | (3,186) | – |
| | | (13,367) | (107,736) |
| **Total comprehensive loss for the period/year attributable to:** | | | |
| Equity holders of the Company | | (10,064) | (107,736) |
| Non-controlling interests | | (3,311) | – |
| | | (13,375) | (107,736) |
| **Loss per share from continuing and discontinued operations attributable to equity holders of the Company:** | | | |
| - Basic (cents per share) | 11 | (2.04) | (24.43) |
| - Diluted (cents per share) | 11 | (2.04) | (24.43) |
| **Loss per share from continuing operations attributable to equity holders of the Company:** | | | |
| - Basic (cents per share) | 11 | (1.77) | (1.04) |
| - Diluted (cents per share) | 11 | (1.77) | (1.04) |
| **Loss per share from discontinued operations attributable to equity holders of the Company:** | | | |
| - Basic (cents per share) | 11 | (0.27) | (23.39) |
| - Diluted (cents per share) | 11 | (0.27) | (23.39) |

The accompanying notes form an integral part of these financial statements

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2019

| | Notes | Group 31/3/19 RMB'000 | 31/12/17 RMB'000 | 1/1/17 RMB'000 |
|---|---|---|---|---|
| **ASSETS** | | | | |
| **Non-current assets** | | | | |
| Land use rights | 12 | – | – | 14,107 |
| Property, plant and equipment | 13 | 1,874 | 1,237 | 21,607 |
| Intangible assets | 14 | 8,450 | – | – |
| Goodwill | 15 | 3,375 | – | – |
| Investment in associate | 17 | – | 4,847 | – |
| Investment security | 18 | – | – | – |
| **Total non-current assets** | | 13,699 | 6,084 | 35,714 |
| **Current assets** | | | | |
| Inventories | 19 | 284 | 116 | 6,032 |
| Trade and other receivables | 20 | 1,380 | 12,825 | 60,946 |
| Prepayments | | 55 | 193 | 1,074 |
| Cash and bank balances | 21 | 2,001 | 3,157 | 2,798 |
| | | 3,720 | 16,291 | 70,850 |
| Assets directly related to disposal group classified as held for sale | 10 | 19,286 | – | – |
| **Total current assets** | | 23,006 | 16,291 | 70,850 |
| **Total assets** | | 36,705 | 22,375 | 106,564 |
| **EQUITY AND LIABILITIES** | | | | |
| **Equity attributable to owners of the Company** | | | | |
| Share capital | 22 | 199,608 | 195,561 | 185,637 |
| Warrants | 23 | 12,805 | – | – |
| Reserves | 24 | 42,911 | 42,794 | 42,794 |
| Accumulated losses | | (260,350) | (250,169) | (142,433) |
| | | (5,026) | (11,814) | 85,998 |
| Non-controlling interests | 16 | 577 | – | – |
| **Total equity** | | (4,449) | (11,814) | 85,998 |
| **Non-current liabilities** | | | | |
| Other payables | 25 | 1,191 | – | – |
| **Total non-current liabilities** | | 1,191 | – | – |
| **Current liabilities** | | | | |
| Trade and other payables | 25 | 7,700 | 34,189 | 20,280 |
| Current income tax payable | | – | – | 286 |
| | | 7,700 | 34,189 | 20,566 |
| Liabilities directly related to disposal group classified as held for sale | 10 | 32,263 | – | – |
| **Total current liabilities** | | 39,963 | 34,189 | 20,566 |
| **Total liabilities** | | 41,154 | 34,189 | 20,566 |
| **Total equity and liabilities** | | 36,705 | 22,375 | 106,564 |

The accompanying notes form an integral part of these financial statements

# STATEMENT OF FINANCIAL POSITION

As at 31 March 2019

| | Notes | Company | | |
|---|---|---|---|---|
| | | 31/3/19 | 31/12/17 | 1/1/17 |
| | | RMB'000 | RMB'000 | RMB'000 |
| **ASSETS** | | | | |
| **Non-current assets** | | | | |
| Investment in subsidiaries | 16 | 2,865 | – | 41,908 |
| Investment in associate | 17 | – | 5,843 | – |
| **Total non-current assets** | | 2,865 | 5,843 | 41,908 |
| **Current assets** | | | | |
| Other receivables | 20 | – | 1,468 | 36,251 |
| Prepayments | | – | 21 | – |
| Cash and bank balances | 21 | 886 | 440 | 34 |
| | | 886 | 1,929 | 36,285 |
| Assets directly related to disposal group classified as held for sale | 10 | – | – | – |
| **Total current assets** | | 886 | 1,929 | 36,285 |
| **Total assets** | | 3,751 | 7,772 | 78,193 |
| **EQUITY AND LIABILITIES** | | | | |
| **Equity attributable to owners of the Company** | | | | |
| Share capital | 22 | 199,608 | 195,561 | 185,637 |
| Warrants | 23 | 12,805 | – | – |
| Reserves | 24 | 309 | – | – |
| Accumulated losses | | (216,060) | (194,736) | (127,453) |
| **Total equity** | | (3,338) | 825 | 58,184 |
| **Non-current liabilities** | | | | |
| Other payables | 25 | 1,191 | – | – |
| **Total non-current liabilities** | | 1,191 | – | – |
| **Current liabilities** | | | | |
| Other payables | 25 | 5,898 | 6,947 | 20,009 |
| **Total current liabilities** | | 5,898 | 6,947 | 20,009 |
| **Total liabilities** | | 7,089 | 6,947 | 20,009 |
| **Total equity and liabilities** | | 3,751 | 7,772 | 78,193 |

The accompanying notes form an integral part of these financial statements

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the financial period from 1 January 2018 to 31 March 2019

| | Attributable to equity holders of the Company | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | Share capital | Warrants | Exchange translation reserve | Statutory reserve | Other reserve | Accumulated losses | Total | Non-controlling interests | Total equity |
| | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 |
| **Group** | | | | | | | | | |
| **Balance at 1 January 2018** | 195,561 | – | – | 42,794 | – | (250,169) | (11,814) | – | (11,814) |
| Loss for the year | – | – | – | – | – | (10,181) | (10,181) | (3,186) | (13,367) |
| Other comprehensive loss for the year | | | | | | | | | |
| - Net fair value loss on investment security at fair value through other comprehensive income | – | – | – | – | (98) | – | (98) | (82) | (180) |
| - Exchange differences on translation | – | – | 215 | – | – | – | 215 | (43) | 172 |
| Total comprehensive loss for the year | – | – | 215 | – | (98) | (10,181) | (10,064) | (3,311) | (13,375) |
| Warrants proceeds, net of expenses (Note 23) | – | 13,773 | – | – | – | – | 13,773 | – | 13,773 |
| Shares issued pursuant to exercise of warrants (Note 22) | 4,047 | (968) | – | – | – | – | 3,079 | – | 3,079 |
| Incorporation of subsidiary and additional investment in subsidiary (Notes 16(a) and (b)) | – | – | – | – | – | – | – | 982 | 982 |
| Acquisition of subsidiaries with non-controlling interests (Note 16(c)) | – | – | – | – | – | – | – | 2,906 | 2,906 |
| **Balance at 31 March 2019** | 199,608 | 12,805 | 215 | 42,794 | (98) | (260,350) | (5,026) | 577 | (4,449) |

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

| | ← Attributable to equity holders of the Company → | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | Share capital | Warrants | Exchange translation reserve | Statutory reserve | Accumulated losses | Total | Non-controlling interests | Total equity |
| | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 |
| **Group** | | | | | | | | |
| **Balance at 1 January 2017** | 185,637 | – | – | 42,794 | (142,433) | 85,998 | – | 85,998 |
| Loss for the year | – | – | – | – | (107,736) | (107,736) | – | (107,736) |
| Other comprehensive loss for the year | – | – | – | – | – | – | – | – |
| Total comprehensive loss for the year | – | – | – | – | (107,736) | (107,736) | – | (107,736) |
| Shares issued, net of expenses | 9,924 | – | – | – | – | 9,924 | – | 9,924 |
| **Balance at 31 December 2017** | 195,561 | – | – | 42,794 | (250,169) | (11,814) | – | (11,814) |

The accompanying notes form an integral part of these financial statements

# CONSOLIDATED STATEMENT OF CASH FLOWS

For the financial period from 1 January 2018 to 31 March 2019

| | Group | |
|---|---|---|
| | Period from 1/1/18 to 31/3/19 | Year ended 31/12/17 |
| | RMB'000 | RMB'000 |
| **Cash Flows from Operating Activities** | | |
| Loss before income tax continuing operations | (12,033) | (4,579) |
| Loss before income tax from discontinued operations | (1,334) | (103,443) |
| Loss before income tax | (13,367) | (108,022) |
| Adjustments for: | | |
| Interest income | (20) | (9) |
| Interest expense | 3 | – |
| Bad debts written off | – | 2,008 |
| Trade receivables written off | – | 1,437 |
| Depreciation of property, plant and equipment | 532 | 308 |
| Amortisation of intangible assets | 2,251 | – |
| Impairment loss of land use rights | – | 13,799 |
| Impairment loss of property, plant and equipment | – | 19,110 |
| Write down of inventories | – | 4,033 |
| Allowance of inventories obsolescence | 255 | – |
| Written-off of property, plant and equipment | 223 | – |
| Loss on deemed disposal of an associate | 538 | – |
| Reversal of impairment on trade receivables | – | (500) |
| Loss/(Gain) on disposal of property, plant and equipment, net | 11 | (120) |
| Allowance for impairment loss of trade and other receivables | – | 25,289 |
| Written-off of advances paid to suppliers | – | 28,000 |
| Share of results of associate | – | 996 |
| Operating cash flow before working capital changes | (9,574) | (13,671) |
| Changes in working capital: | | |
| Inventories | 357 | 1,883 |
| Trade and other receivables | (5,310) | (5,795) |
| Trade and other payables | 1,377 | 13,909 |
| Cash used in operations | (13,150) | (3,674) |
| Interest received | 20 | 9 |
| Interest paid | (3) | – |
| **Net cash used in operating activities** | (13,133) | (3,665) |

The accompanying notes form an integral part of these financial statements

# CONSOLIDATED STATEMENT OF CASH FLOWS

For the financial period from 1 January 2018 to 31 March 2019

| | Group | |
|---|---|---|
| | Period from 1/1/18 to 31/3/19 | Year ended 31/12/17 |
| | RMB'000 | RMB'000 |
| **Cash Flows from Investing Activities** | | |
| Investment in associate | – | (5,843) |
| Purchase of property, plant and equipment | (2,096) | (177) |
| Proceeds from disposal of property, plant and equipment | 31 | 120 |
| Purchase of intangible assets | (1,096) | – |
| Net cash outflow on acquisition of subsidiaries (Note 16) | (3,406) | – |
| **Net cash used in investing activities** | (6,567) | (5,900) |
| **Cash Flows from Financing Activities** | | |
| Proceeds from warrants issue, net of expenses | 13,773 | – |
| Proceeds from exercise of warrants/issuance of shares | 3,079 | 9,924 |
| Proceeds from redeemable notes | 668 | – |
| Proceeds of capital contributions from non-controlling interests | 976 | – |
| **Net cash generated from financing activities** | 18,496 | 9,924 |
| **Net (decrease)/increase in cash and cash equivalents** | (1,204) | 359 |
| **Cash and cash equivalents at beginning of the period/year** | 3,157 | 2,798 |
| Effect of currency translation on cash and cash equivalents | 48 | – |
| **Cash and cash equivalents at end of the period/year** (Note 21) | 2,001 | 3,157 |

Financing Activities in the Consolidated Statement of Cash Flows

The reconciliation of movement of liabilities to cash flows arising from the financing activities is presented below.

| | | ← Cash flows → | | |
|---|---|---|---|---|
| | 1/1/2018 | Proceeds | Repayments | 31/3/19 |
| | RMB'000 | RMB'000 | RMB'000 | RMB'000 |
| Redeemable notes | – | 688 | – | 688 |

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 Information

The Company was incorporated in Singapore on 10 January 2008 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 its current Green Energy Business.

The Company is domiciled in Singapore and its registered office is located at 8 Robinson Road #03-00 ASO Building Singapore 048544. The Company's principal place of business is located at 10 Anson Road #18-15 International Plaza Singapore 079903.

The principal activity of the Company is that of an investment holding company. The principal activities of the subsidiaries are disclosed in Note 16.

## 2 Application of Singapore Financial Reporting Standards (International) ("SFRS(I)s")

The Group has adopted SFRS(I) on 1 January 2018 and has prepared its first set of financial statements under SFRS(I) for the financial period from 1 January 2018 to 31 March 2019. As a result, the audited financial statements for the year ended 31 December 2017 was the last set of financial statements prepared under the previous Financial Reporting Standards in Singapore ("SFRS").

In adoption of SFRS(I), the Group is required to apply all the specific transition requirements in SFRS(I) *First-time Adoption of Singapore Financial Reporting Standards (International).* Under SFRS(I), these financial statements are required to be prepared using accounting policies that comply with each SFRS(I) effective as at 1 January 2018. The same accounting policies are applied throughout all periods presented in these financial statements, subject to the mandatory exceptions and optional exemptions under SFRS(I) 1.

Optional exemption applied on adoption of SFRS(I)

For first-time adopters, SFRS(I) 1 allows the exemptions from the retrospective application of certain requirements under SFRS(I). The Group has applied the following exemptions:

(i) SFRS(I) 3 *Business Combinations* has not been applied to business combinations that occurred before the date of transition on 1 January 2017. The same classification as in its previous SFRS financial statements has been adopted.

(ii) SFRS(I) 1-21 *The Effects of Changes in Foreign Exchange Rates* has not been applied retrospectively to fair value adjustments and goodwill from business combinations that occurred before the date of transition to SFRS(I) on 1 January 2017. Such fair value adjustments and goodwill continue to be accounted for using the same basis as under SFRS 21.

(iii) The Group has elected to apply the requirements in the SFRS(I) 1-23 *Borrowing Costs* from the dates of transition to SFRS(I) on 1 January 2017. Borrowing costs that were accounted previously under SFRS prior to date of transition are not restated.

(iv) The Group elected the short-term exemption to adopt SFRS(I) 9 on 1 January 2018. Accordingly, the information presented for 2017 is presented, as previously reported, under SFRS 39 *Financial Instruments: Recognition and Measurement*. Arising from this election, the Group is exempted from complying with SFRS(I) 7 *Financial Instruments: Disclosures* to the extent that the disclosures as required by SFRS(I) 7 to items within the scope of SFRS(I) 9.

**2 Application of Singapore Financial Reporting Standards (International) ("SFRS(I)s")** (cont'd)

**(a) First-time adoption of SFRS(I) and adoption of new standards**

**A.** SFRS(I) 1 *First-time Adoption of SFRS(I)*

On adoption of SFRS(I), the Group has applied the transition requirements in SFRS(I) 1 with 1 January 2017 as the date of transition. SFRS(I) 1 generally requires that the Group applies SFRS(I) that are effective as at 1 January 2018 on a retrospective basis, as if such accounting policy had always been applied, subject to the mandatory exceptions and optional exemptions in SFRS(I) 1. The application of the mandatory exceptions and the optional exemptions in SFRS(I) 1 did not have a significant impact on the Group's financial statements.

**B.** SFRS(I) 15 *Revenue from Contracts with Customers*

SFRS(I) 15 establishes a five-step model to account for revenue arising from contracts with customers, and introduces new contract cost guidance. 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 Group adopted SFRS(I) 15 in its financial statements using the retrospective approach. All requirements of SFRS(I) 15 have been applied retrospectively. The application of SFRS(I) 15 did not have a significant impact on the Group's financial statements, and no comparative information has been restated.

**C.** SFRS(I) 9 *Financial Instruments*

SFRS(I) 9 sets out requirements for recognising and measuring financial assets, financial liabilities and some contracts to buy or sell non-financial items. It also introduces a new "expected credit loss" (ECL) model and a new general hedge accounting model. The Group adopted SFRS(I) 9 from 1 January 2018.

The Group has elected to apply the short-term exemption to adopt SFRS(I) 9 on 1 January 2018. Accordingly, requirements of SFRS 39 *Financial Instruments: Recognition and Measurement* will continue to apply to financial instruments up to the financial year ended 31 December 2017 (Accounting policies Note 3(l)). Additionally, the Group is exempted from complying with SFRS(I) 7 for the comparative period to the extent that the disclosures required by the SFRS(I) 7 relate to the items within scope of SFRS(I) 9. As a result, the requirements under FRS are applied in place of the requirements under SFRS(I) 7 and SFRS(I) 9 to comparative information about items within the scope of the SFRS(I) 9.

Changes in accounting policies resulting from the adoption of SFRS(I) 9 have been generally applied by the Group retrospectively, except as described below.

- The following assessments were made on the basis of facts and circumstances that existed at 1 January 2018.
  - The determination of the business model within which a financial asset is held;
  - The determination of whether the contractual terms of a financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding;
  - The designation of an equity investment that is not held-for-trading as at FVOCI; and
  - The designation and revocation of previous designations of certain financial assets and financial liabilities measured at FVPL.

**2 Application of Singapore Financial Reporting Standards (International) ("SFRS(I)s")** (cont'd)

**(a) First-time adoption of SFRS(I) and adoption of new standards** (cont'd)

**C.** SFRS(I) 9 *Financial Instruments* (cont'd)

The adoption of SFRS(I) 9 has not had a significant effect on the Group's accounting policies for financial liabilities.

The impact on the Group's financial statements as well as the new requirements are described below.

(i) Classification of financial assets and financial liabilities

The following are the qualitative information regarding the reclassification between categories of financial instruments at the date of initial application of SFRS(I) 9.

Under SFRS(I) 9, financial assets are classified in the following categories: measured at amortised cost, FVOCI (debt instrument), FVOCI (equity instrument); or FVPL. The classification of financial assets under SFRS(I) 9 is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics. SFRS(I) 9 eliminates the previous FRS 39 categories of held-to-maturity, loans and receivables and available-for-sale. Under SFRS(I) 9, derivatives embedded in contracts where the host is a financial asset in the scope of the standard are never separated. Instead, the hybrid financial instrument as a whole is assessed for classification.

On the date of initial application of SFRS(I) 9 on 1 January 2018, the following table and the accompanying notes below explain the original measurement categories under FRS 39 and the new measurement categories under SFRS(I) 9 for each class of the Group's and the Company's financial assets as at 1 January 2018:

| | Measurement category | | Carrying amount | | |
|---|---|---|---|---|---|
| | SFRS 39 | SFRS(I) 9 | SFRS 39 | SFRS(I) 9 | Difference |
| **Group** | | | RMB'000 | RMB'000 | RMB'000 |
| Current financial assets | | | | | |
| Trade and other receivables | Loan and receivables (amortised cost) | Amortised cost | 12,785 | 12,785 | – |
| Cash and bank balances | Loan and receivables (amortised cost) | Amortised cost | 3,157 | 3,157 | – |
| Current financial liabilities | | | | | |
| Trade and other payables | Financial liabilities (amortised cost) | Amortised cost | 33,831 | 33,831 | – |

**2 Application of Singapore Financial Reporting Standards (International) ("SFRS(I)s")** (cont'd)

**(a) First-time adoption of SFRS(I) and adoption of new standards** (cont'd)

**C.** SFRS(I) 9 *Financial Instruments* (cont'd)

(i) Classification of financial assets and financial liabilities (cont'd)

| | Measurement category | | Carrying amount | | |
|---|---|---|---|---|---|
| | SFRS 39 | SFRS(I) 9 | SFRS 39 | SFRS(I) 9 | Difference |
| | | | RMB'000 | RMB'000 | RMB'000 |
| **Company** | | | | | |
| Current financial assets | | | | | |
| Trade and other receivables | Loan and receivables (amortised cost) | Amortised cost | 1,468 | 1,468 | – |
| Cash and bank balances | Loan and receivables (amortised cost) | Amortised cost | 440 | 440 | – |
| Current financial liabilities | | | | | |
| Other payables | Financial liabilities (amortised cost) | Amortised cost | 6,947 | 6,947 | – |

(ii) Impairment of financial assets

SFRS(I) 9 replaces the "incurred loss" model in FRS 39 with an "expected credit loss" (ECL) model. The new impairment model applies to financial assets measured at amortised cost, but not to equity investment. As a result of the adoption of SFRS(I) 9, the Group presented impairment loss related to trade and other receivables separately in the consolidated statement of comprehensive income. As a result, the Group reclassified net impairment loss amounted to RMB24,789,000 recognised under FRS 39, from other operating expenses to 'net impairment loss on trade and other receivables' in the consolidated statement of comprehensive income for the financial year ended 31 December 2017.

The Group has applied the simplified impairment approach to recognise only lifetime ECL impairment charges on all trade receivables and that arise from SFRS(I) 15. Based on the assessment made, there is no allowance for impairment recognised in opening accumulated losses of the Group at 1 January 2018 on transition to SFRS(I) 9 as the ECL is insignificant. For other receivables, the Group has assessed the latest performance and financial position of the counterparties, adjusted for the future outlook of the industry in which the counterparties operate in, and concluded that there has been no significant increase in the credit risk since the initial recognition of the financial assets. Accordingly, the Group measured the allowance for impairment using 12-month ECL and determined that the ECL is insignificant.

The application of SFRS(I) 9 impairment requirements as at 1 January 2018 did not have a impact on the Group's financial statements. Additional information about how the Group and the Company measure the loss allowance is described in Notes 20 and 29.

(iii) Transition impact on the Group's equity

There is no impact to the Group's equity as at 1 January 2018 on the transition to SFRS(I) 9.

**2 Application of Singapore Financial Reporting Standards (International) ("SFRS(I)s")** (cont'd)

**(a) First-time adoption of SFRS(I) and adoption of new standards** (cont'd)

**D.** Impact on the Consolidated Statement of Cash Flows

There were no significant impact to the Group's consolidated statement of cash flows arising from the transition from FRS to SFRS(I) and the initial application of SFRS(I) 15 and SFRS(I) 9.

**(b) SFRS(I)s issued but not yet effective**

As at the date of these financial statements, the following new/revised standards that have been issued and are relevant to the Group and the Company but not yet effective:

| Description | Effective Date (Annual periods beginning on or after) |
|---|---|
| SFRS(I) 16 *Leases* | 1 January 2019 |
| SFRS(I) INT 23 *Uncertainty over Income Tax Treatments* | 1 January 2019 |
| SFRS(I) 9 *Amendments to SFRS(I) 9: Prepayment Features with Negative Compensation* | 1 January 2019 |
| SFRS(I) 1-28 *Amendments to SFRS(I) 1-28: Long-term Interests in Associates and Joint Ventures* | 1 January 2019 |
| Annual Improvements to SFRS(I)s 2015-2017 Cycle | 1 January 2019 |
| Amendments to SFRS(I) 3 *Business Combinations* | 1 January 2019 |
| Amendments to SFRS(I) 11 *Joint Arrangements* | 1 January 2019 |
| Amendments to SFRS(I) 1-12 *Income Taxes* | 1 January 2019 |
| Amendments to SFRS(I) 1-23 *Borrowing Costs* | 1 January 2019 |
| SFRS(I) 1-19 Amendments to SFRS(I) 1-19: *Plan Amendment, Curtailment or Settlement* | 1 January 2019 |
| Amendments to SFRS(I) 1-1 and SFRS(I) 1-8 *Definition of Material* | 1 January 2020 |
| Amendments to SFRS(I) 10 and SFRS(I) 1-28 *Investments in Associates and Joint Ventures – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture* | Deferred indefinitely, early application is still permitted |

Except for SFRS(I) 16 described below, the Group expects that the adoption of the other new/revised standards above will have no material impact on the financial statements in the period of initial application.

SFRS(I) 16 *Leases*

SFRS(I) 16 sets out a revised framework for the recognition, measurement, presentation and disclosure of leases, and replaces SFRS(I) 1-17 *Leases*, SFRS(I) INT 4 *Determining whether an Arrangement contains a Lease*, SFRS(I) INT 1-15 *Operating Leases – Incentives*; and SFRS(I) INT 1-27 *Evaluating the Substance of Transactions Involving the Legal Form of a Lease*. SFRS(I) 16 requires lessees to recognise right-of-use assets and lease liabilities for all leases with a term of more than 12 months, except where the underlying asset is of low value. The right-of-use asset is depreciated and interest expense is recognised on the lease liability. The accounting requirements for lessors have not been changed substantially, and continue to be based on classification as operating and finance leases. Disclosure requirements have been enhanced for both lessors and lessees.

The Group plans to adopt SFRS(I) 16 on 1 April 2019 based on a permitted transition approach that does not restate comparative information, but recognises the cumulative effect of initially applying SFRS(I) 16 as an adjustment to the opening balance of retained earnings on 1 April 2019. The Group will elect the transition option to record in respect of lease previously classified as operating lease, the right-of-use assets on 1 April 2019 at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments as at 31 March 2019. The Group also plans to adopt an expedient offered by SFRS(I) 16, exempting the Group from having to reassess whether the pre-existing contract contain a lease.

The Group does not expect any significant impact on the financial statements on the adoption of SFRS(I) 16. However, some additional disclosures will be required.

## 3 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 the Singapore Financial Reporting Standards (International) ("SFRS(I)s") as issued by the Accounting Standards Council Singapore. These are the Group's first financial statements prepared in accordance with SFRS(I) and SFRS(I) 1 *First-time Adoption of Singapore Financial Reporting Standards (International)* has been applied. In the previous financial years, the financial statements were prepared in accordance with Singapore Financial Reporting Standards in Singapore (SFRS). An explanation of how the transition to SFRS(I) and application of SFRS(I) 15 and SFRS(I) 9 have affected the reported financial performance, financial position and cash flows is provided in Note 2(a). These financial statements have been prepared on the historical cost basis, except as disclosed in the accounting policies below.

The accounting policies set out below have been applied consistently to all periods presented in these financial statements and in preparing the opening SFRS(I) statements of financial position as at 1 January 2017 for the purposes of the transition to SFRS(I), unless otherwise indicated. The accounting policies have been applied consistently by the Group entities.

(b) Going Concern Assumption

For the financial period from 1 January 2018 to 31 March 2019, the Group has incurred a total net loss of RMB13,367,000 (31/12/17: RMB107,736,000) and a total comprehensive loss of RMB13,375,000 (31/12/17: RMB107,736,000) and has net cash used in operating activities amounting to RMB13,133,000 (31/12/17: RMB3,665,000). As at 31 March 2019, the Group's and the Company's current liabilities exceeded its current assets by RMB16,957,000 (31/12/17: RMB17,898,000) and RMB5,012,000 (31/12/17: RMB5,018,000), respectively, and the Group and the Company have deficit in shareholders' funds amounting to RMB4,449,000 (31/12/17: RMB11,814,000) and RMB3,338,000 (31/12/17: surplus of RMB825,000), respectively.

These factors indicate the existence of material uncertainties that may cast significant doubt about the Group's and the Company's ability to realise their assets and discharge their liabilities in the ordinary course of business. Notwithstanding the above, the directors of the Company believe that the use of the going concern assumption in the preparation and presentation of the financial statements for the financial period from 1 January 2018 to 31 March 2019 is appropriate after taking into consideration the following factors:

(i) Management will tighten their cost controls over the Group's operating expenses and seek to improve the cash flows of the Group. Management has also prepared a cash flow projection that shows the Group will have sufficient working capital for its operations for the next twelve months from 31 March 2019, which include financial support if required from the executive directors of the Company who are also the substantial shareholders of the Company, and will be able to meet its obligations as and when they fall due.

(ii) Management will evaluate various strategies to improve the financial performance of the Group's current Green Energy Business. Management also believes that with the disposal of the Disposal Group subsequent to the financial period end, which will result in an estimated gain on disposal of approximately RMB58.77 million (Note 31), the financial position of the Group will improve.

(iii) The Group has been successful in raising capital and obtaining additional funds for working capital in the past. As such, management will continue to evaluate various strategies to obtain alternative sources of finance where necessary to enable the Group to meet its obligations as and when they fall due.

In the event the Group and the Company are unable to continue as going concerns, the Group and the Company may be unable to discharge their liabilities in the normal course of business and adjustments may have to be made to reflect the situation that assets may need to be realised other than in the normal course of business and at amounts which could differ significantly from the amounts at which they are recorded in the statement of financial position. In addition, the Group and the Company may have to provide for further liabilities that might arise, and to reclassify non-current assets and non-current liabilities as current assets and current liabilities respectively. No such adjustments have been made to these financial statements.

**3 Significant Accounting Policies** (cont'd)

(c) Group Accounting

(i) Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

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.

Goodwill on acquisitions of subsidiaries and businesses, represents the excess of the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition date fair value of any previous held equity interest in the acquiree over the fair value of the investee's identifiable net assets acquired. Goodwill on acquisitions of subsidiaries is initially measured at cost. Following initial recognition, goodwill is measured at cost less any accumulated impairment loss. Gains and losses on the disposal of subsidiaries, include the carrying amount of goodwill relating to the entity sold.

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired, and liabilities and contingent liabilities assumed, in a business combination are measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of acquiree's identifiable net assets.

Acquisition-related costs are expensed as incurred.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is re-measured to fair value at the acquisition date; any gains or losses arising from such re-measurement are recognised in profit or loss.

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

If the total of consideration transferred, non-controlling interest recognised and previously held interest measured is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in the income statement.

**3 Significant Accounting Policies** (cont'd)

(c) Group Accounting (cont'd)

(i) Subsidiaries (cont'd)

Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment indicator of the transferred assets. When necessary, amounts reported by subsidiaries have been adjusted to conform with the Group's accounting policies.

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions – that is, as transactions with the owners in their capacity as owners. The difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

When the Group loses control of a subsidiary, it:

- derecognises the assets (including any goodwill) and liabilities of the subsidiary at their carrying amounts at the date when control is lost;
- derecognises the carrying amount of any non-controlling interest (including any components of other comprehensive income attributable to them);
- recognises the fair value of the consideration received;
- recognises the fair value of any investment retained in the former subsidiary at its fair value;
- re-classifies the Group's share of components previously recognised in other comprehensive income to profit or loss or retained earnings, as appropriate; and
- recognises any resulting difference as a gain or loss in profit or loss.

(ii) Associates

Associates are all entities over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights.

Goodwill on acquisition of associates represents the excess of the cost of the acquisition over the Group's share of the fair value of the identifiable net assets acquired. Goodwill on associates is included in the carrying amount of the investments. Gains and losses on the disposal of associates include the carrying amounts of goodwill relating to the entity sold.

Investments in associates are accounted for using the equity method of accounting less impairment losses, if any. Under the equity method, the investment is initially recognised at cost, and the carrying amount is increased or decreased to recognise the investor's share of the profit or loss of the investee after the date of acquisition.

When the Group reduces its ownership interest in an associate, but the Group continues to apply the equity method, the Group reclassifies to profit or loss the proportion of the gain or loss that had previously been recognised in other comprehensive income relating to that reduction in ownership interest if that gain or loss would be required to be reclassified to profit or loss on the disposal of the related assets or liabilities.

**3 Significant Accounting Policies** (cont'd)

(c) Group Accounting (cont'd)

(ii) Associates (cont'd)

The Group's share of post-acquisition profit or loss is recognised in the income statement, and its share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income with a corresponding adjustment to the carrying amount of the investment. When the Group's share of losses in an associate equal or exceeds its interest in the associate, the Group does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate.

The Group determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognises the amount in profit or loss.

Profits and losses resulting from upstream and downstream transactions between the Group and its associate are recognised in the Group's financial statements only to the extent of unrelated investor's interests in the associates. Unrealised losses are eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Group.

(d) Investments in Subsidiaries and Associates

Investments in subsidiaries and associates are carried at cost less accumulated impairment losses in the statement of financial position of the Company.

On disposal of investments in subsidiaries and associates, the difference between the net disposal proceeds and the carrying amount of the investments are recognised in profit or loss.

(e) Foreign Currencies

(i) Functional and presentation currency

The individual financial statements of each entity in the Group are presented in the currency of the primary economic environment in which the entity operates (functional currency).

*Change of Company's functional currency*

The Company changed its functional currency from Renminbi ("RMB") to Singapore dollar ("S$") with effect from 1 January 2018 to reflect the current and prospective economic substance of the underlying transactions and circumstances of the Company. The principal place of business of the Company is now located in Singapore given the change of new management and transactions from its investment holding activities are now predominantly denominated in S$. The effect of the change in functional currency to S$ was applied prospectively in the financial statements. The Company translated all items into the new functional currency using the exchange rate of S$:RMB as at 1 January 2018.

For the purpose of the consolidated financial statements, the results and financial position of each entity in the Group are expressed in RMB, which is the presentation currency for the consolidated financial statements. All values are rounded to the nearest thousand (RMB'000) except when otherwise indicated.

**3 Significant Accounting Policies** (cont'd)

(e) Foreign Currencies (cont'd)

(ii) Transactions and balances

In preparing the financial statements of each individual entities, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions.

At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date.

Currency translation differences resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the closing rates at the reporting date are recognised in profit or loss, unless they arise from borrowings in foreign currencies and other currency instruments designated and qualifying as net investment hedges and net investment in foreign operations.

Those currency translation differences are recognised in the translation reserve in the consolidated financial statements and transferred to profit or loss as part of the gain or loss on disposal of the foreign operation.

Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at 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.

(iii) Translation of Group entities' financial statements

The results and financial position of all the Group entities that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities are translated at the closing exchange rates at the reporting date;
- income and expenses are translated at average exchange rates (unless the average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transactions dates, in which the case income and expenses are translating using the exchange rates at the dates of the transactions); and
- all resulting currency translation differences are recognised in other comprehensive income and accumulated in the exchange translation reserve.

On the disposal of a foreign operation (i.e. a disposal of the Group's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation, or a partial disposal of an interest in a joint arrangement or an associate that includes a foreign operation of which the retained interest becomes a financial asset), all of the exchange differences accumulated in equity in respect of that operation attributable to the owners of the Company are reclassified to profit or loss.

In addition, in relation to a partial disposal of a subsidiary that includes a foreign operation that does not result in the Group losing control over the subsidiary, the proportionate share of accumulated exchange differences are re-attributed to non-controlling interests and are not recognised in profit or loss. For all other partial disposals (i.e. partial disposals of associates that do not result in the Group losing significant influence), the proportionate share of the accumulated exchange differences is reclassified to profit or loss.

Goodwill and fair value adjustments to identifiable assets acquired and liabilities assumed through acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the rate of exchange prevailing at the end of each reporting period. Exchange differences arising are recognised in other comprehensive income.

**3 Significant Accounting Policies** (cont'd)

(f) Property, Plant and Equipment

(i) Measurement

All items of property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

(ii) Subsequent expenditure

Subsequent expenditure related to property, plant and equipment that has already been recognised is added to the carrying amount of the asset only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance expenses are recognised in profit or loss when incurred.

(iii) Depreciation

Depreciation is recognised so as to write off the costs of the assets over their estimated useful lives, using the straight-line method, as follows:

| | |
|---|---|
| Building | 10 to 30 years |
| Plant and equipment | 5 to 30 years |
| Furniture, fittings and office equipment | 5 to 10 years |
| Electric/Motor vehicles | 3 to 10 years |

The carrying amounts of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying amount may not be recoverable.

The residual value, useful life and depreciation method are reviewed at each financial year end, with the effect of any changes in estimate accounted for on a prospective basis. The effects of any revision are recognised in profit or loss when the changes arise.

(iv) Disposal

Property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising from disposal or retirement of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

(g) Land Use Rights

Land use rights are stated at cost less accumulated amortisation and accumulated impairment losses. The land use rights are amortised on a straight-line method over the lease term of the land use rights of 50 years or the remaining lease term, if shorter and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and method are reviewed at each financial year end, with the effect of any changes in estimate accounted for on a prospective basis. The effects of any revision are recognised in profit or loss when the changes arise.

**3 Significant Accounting Policies** (cont'd)

(h) Intangible Assets

Intangible assets acquired separately are measured initially at cost or acquired in a business combination are identified and recognised separately from goodwill at their fair value at the acquisition date. Intangible assets are subsequently stated at cost less accumulated amortisation and accumulated impairment losses.

Intangible assets with finite useful lives are amortised on a straight-line method over the estimated useful lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and method are reviewed at each financial year end, with the effect of any changes in estimate accounted for on a prospective basis. The effects of any revision are recognised in profit or loss when the changes arise.

Intangible assets are derecognised upon disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sales proceeds and the carrying amount of

(i) Trademarks

Trademarks acquired are initially recognised at cost and are subsequently carried at cost less accumulated amortisation and accumulated impairment losses. Trademarks are amortised on a straight-line basis method over its estimated useful lives of 3 years.

(ii) Software applications and technology know-how

Acquired software applications and technology know-how are initially capitalised at cost which includes the purchase prices and other directly attributable costs of preparing the asset for its intended use. Direct expenditures including employee costs, which enhance or extend the performance of the software application and technology know-how beyond its specifications and which can be reliably measured, are added to the original cost of the software application and technology know-how. Other costs associated with maintaining the software applications and technology know-how are expensed off when incurred.

Software applications and technology know-how are subsequently carried at cost less accumulated amortisation and accumulated impairment losses. Software applications and technology know-how are amortised to profit or loss using the straight-line method over their estimated useful lives of 3 - 9 years.

(i) Goodwill

Goodwill is tested for impairment annually and whenever there is indication that the goodwill may be impaired.

For the purpose of impairment testing of goodwill, goodwill is allocated, from the acquisition date, to each of the Group's cash-generating units ("CGU") or groups of CGU, that are expected to benefit from synergies arising from the business combination.

An impairment loss is recognised when the carrying amount of a CGU, including the goodwill, exceeds the recoverable amount of the CGU. The recoverable amount of a CGU is the higher of the CGU's fair value less costs of disposal and value in use.

The total impairment loss of a CGU is allocated first to reduce the carrying amount of goodwill allocated to the CGU and then to the other assets of the CGU pro-rata on the basis of the carrying amount of each asset in the CGU.

An impairment loss on goodwill is recognised in profit or loss and is not reversed in a subsequent period.

Where goodwill forms part of a cash-generating unit and part of the operation within that cash-generating unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation.

**3 Significant Accounting Policies** (cont'd)

(j) Impairment of Non-financial Assets Excluding Goodwill

Non-financial assets (including finite intangible assets) other than goodwill are tested for impairment whenever there is any indication that these assets may be impaired.

At the end of each reporting period, the Group reviews the carrying amounts of its non-financial assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any), on an individual asset.

Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. The difference between the carrying amount and recoverable amount is recognised as an impairment loss in profit or loss.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

(k) 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.

**3 Significant Accounting Policies** (cont'd)

(l) Financial Assets - accounting policies are applicable from 1 January 2018

(i) Classification and measurement

The Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value either through other comprehensive income (FVOCI) or through profit or loss (FVPL), and
- those to be measured at amortised cost.

The classification depends on the Group's business model for managing the financial assets and the contractual terms of the cash flows. The Group reclassifies debt investments when and only when its business model for managing those assets changes.

Initial recognition

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Trade receivables are measured at the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amount collected on behalf of third party, if the trade receivables do not contain a significant financing component at initial recognition.

Subsequent measurement

(a) Debt instruments

Debt instruments mainly comprise of cash and bank balances and trade and other receivables. Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Group classifies its debt instruments:

*Amortised cost*

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt instrument that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. For debt instrument that is measured at amortised cost that are not part of a designated hedging relationship, exchange differences are recognised in profit or loss. Impairment losses are deducted from the gross carrying amount of these assets and are presented as separate line item in profit or loss.

Interest income is recognised in profit or loss and is included in the "other income" line item.

**3 Significant Accounting Policies** (cont'd)

(l) Financial Assets - accounting policies are applicable from 1 January 2018 (cont'd)

(i) Classification and measurement (cont'd)

Subsequent measurement (cont'd)

(b) Equity instruments

The Group subsequently measures all equity investments at fair value. On initial recognition of an equity instrument that is not held for trading, the Group may irrevocably elect to present subsequent changes in fair value of equity investments in OCI and there is no subsequent reclassification of fair value gains or losses to profit or loss following the derecognition of the investment. Designation at FVOCI is not permitted if the equity investment is held for trading or if it is contingent consideration recognised by an acquirer in a business combination.

Dividends from such investments continue to be recognised in profit or loss as other income when the Group's right to receive payments is established. Dividends are included in the "other income" line item in profit or loss.

Changes in fair value of equity instruments at FVOCI are recognised in other comprehensive income. The cumulative gain or loss will not be reclassified to profit or loss on disposal of the equity investments, instead, they will be transferred to retained earnings.

(ii) Impairment

The Group assesses on a forward looking basis the expected credit losses associated with the financial assets measured at amortised costs.

Loss allowances of the Group are measured on either of the following bases:

- 12-month ECLs – represents the ECLs that result from default events that are possible within the 12 months after the reporting date (or for a shorter period if the expected life of the instrument is less than 12 months); or

- Lifetime ECLs – represents the ECLs that will result from all possible default events over the expected life of a financial instrument.

The impairment methodology applied depends on whether there has been a significant increase in credit risk.

*Simplified approach - Trade receivables*

The Group applies the simplified approach to provide ECLs for all trade receivables as permitted by SFRS(I) 9. The simplified approach requires expected lifetime losses to be recognised from initial recognition of the receivables. The expected credit losses on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

**3 Significant Accounting Policies** (cont'd)

(l) Financial Assets - accounting policies are applicable from 1 January 2018 (cont'd)

(ii) Impairment (cont'd)

*General approach - Other financial instruments*

The Group applies the general approach to provide for ECLs on all other financial instruments which requires the loss allowance to be measured at an amount equal to 12-month ECLs at initial recognition.

At each reporting date, the Group assesses whether the credit risk of a financial instrument has increased significantly since initial recognition. When credit risk has increased significantly since initial recognition, loss allowance is measured at an amount equal to lifetime ECLs.

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

If credit risk has not increased significantly since initial recognition or if the credit quality of the financial instruments improves such that there is no longer a significant increase in credit risk since initial recognition, loss allowance is measured at an amount equal to 12-month ECLs.

The Group considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that a financial asset to be in default when:

- the borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or
- the financial asset is more than one year.

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

*Credit-impaired financial assets*

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. At each reporting date, the Group assesses whether financial assets carried at amortised cost are credit-impaired.

Evidence that a financial asset is credit-impaired includes the observable data about the following events:

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

**3 Significant Accounting Policies** (cont'd)

(l) Financial Assets - accounting policies are applicable from 1 January 2018 (cont'd)

(ii) Impairment (cont'd)

*Measurement of ECLs*

ECLs are probability-weighted estimates of credit losses. Credit losses are measured at the, present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

*Write-off policy*

The Group writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, e.g. the counterparty's lack of assets or income sources that could generate sufficient cash flows to repay the amounts subjected to the write-off or has been placed under liquidation or has entered into bankruptcy proceedings. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

(iii) Recognition and derecognition

Financial assets are recognised when, and only when the Group becomes party to the contractual provisions of the instruments. All regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Group commits to purchase or sell the asset.

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss. In addition, on derecognition of an investment in a debt instrument classified as at FVOCI, the cumulative gain or loss previously accumulated in the fair value adjustment reserve is reclassified to profit or loss. On derecognition of an investment in equity instrument, the difference between the carrying amount and sales proceed is recognised in profit or loss if there was no election made to recognises fair value changes in other comprehensive income. If the Group has elected on initial recognition to measure the equity instrument at FVOCI, the cumulative gain or loss previously accumulated in the fair value adjustment reserve is not reclassified to profit or loss, but is transferred to retained earnings.

**3 Significant Accounting Policies** (cont'd)

(l) Financial Assets – accounting policies applied until 31 December 2017

(i) Classification

Until 31 December 2017, the Group classified its financial assets in loans and receivables. The classification depended on the nature of the asset and the purpose for which the assets were acquired. Management determined the classification of its financial assets at initial recognition and re-evaluates this designation at each reporting date.

*Loans and receivables*

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

(ii) Recognition and derecognition

Regular way purchases and sales of financial assets were recognised on trade date – the date on which the Group committed to purchase or sell the asset.

The Group derecognised a financial asset only when the contractual rights to the cash flows from the financial asset had expired, or had been transferred and transferred substantially all the risks and rewards of ownership of the financial asset to another entity.

If the Group neither transferred nor retained substantially all the risks and rewards of ownership and continued to control the transferred asset, the Group recognised its retained interest in the asset and an associated liability for amounts it may have to pay.

If the Group retained substantially all the risks and rewards of ownership of a transferred financial asset, the Group continued to recognise the financial asset and also recognised a collateralised borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of consideration received was recognised in profit or loss. Any amount previously recognised in other comprehensive income relating to that asset was transferred to profit or loss.

(iii) Initial and subsequent measurements

Financial assets are initially recognised at fair value plus transaction costs. Loans and receivables are subsequently carried at amortised cost using effective interest method.

(iv) Impairment

The Group assessed at each reporting date whether there was objective evidence that a financial asset or a group of financial assets was impaired and recognised an allowance for impairment when such evidence existed.

**3 Significant Accounting Policies** (cont'd)

(l) Financial Assets – accounting policies applied until 31 December 2017 (cont'd)

(iv) Impairment (cont'd)

*Loans and receivables*

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 were impaired.

The carrying amount of these assets was reduced through the use of an impairment allowance account which was 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 became uncollectible, it was written off against the allowance account. Subsequent recoveries of amounts previously written off were recognised against the same line item in profit or loss.

The allowance for impairment loss account was reduced through profit or loss in a subsequent period when the amount of impairment loss decreased and the related decrease can be objectively measured. The carrying amount of the asset previously impaired was increased to the extent that the new carrying amount did not exceed the amortised cost had no impairment been recognised in prior periods.

(m) Financial Liabilities

The Group recognises a financial liability on its statement of financial position when, and only when, the Group becomes a party to the contractual provisions of the instrument.

Financial liabilities are initially measured at fair value, plus any directly attributable transaction costs and are subsequently measured at amortised cost using the effective interest method.

Financial liabilities are presented as "trade and other payables" on the statement of financial position.

Borrowings are presented as current liabilities unless the Group has an unconditional right to defer settlement for at least twelve months after the reporting period.

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

(n) Offsetting of Financial Assets and Financial Liabilities

Financial assets and financial liabilities are offset and the net amount is presented in the statement of financial position, when and only when, there is a currently enforceable legal right to set off the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

(o) Cash and Cash Equivalents

For the purpose of presentation in the consolidated statement of cash flows, cash and cash equivalents include cash on hand and bank deposits with financial institutions which are subject to an insignificant risk of change in value.

**3 Significant Accounting Policies** (cont'd)

(p) 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.

(q) Share Capital

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

(r) Warrants

Proceeds from the issuance of warrants, net of issue expenses, are credited to warrants reserve which is non-distributable. Warrants reserve is transferred to share capital upon the exercise of warrants and the warrants reserve in relation to the unexercised warrants at the expiry of the warrants will be transferred to retained earnings.

(s) Dividends to Company's Shareholders

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

(t) Revenue Recognition

Revenue is measured based on the consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer.

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

(i) Charging equipment and services

The Group provides a service of sale and installation of charging stations for electric vehicles under contracts with customers. The customer is contracted to receive the charging stations and the transfer is not complete without both the sale of the charging stations and the installation services. As such, the installation service is not distinct from the sale of the charging station, and accordingly, the Group determines the service of sale and installation of charging stations as a single performance obligation. Such revenue is therefore recognised as a performance obligation satisfied at a point in time.

The Group also provides charging services for electric vehicles through charging stations owned by the Group. Each charging service comprises a single performance obligation which is satisfied at a point in time.

(ii) Electric vehicles sharing services

The Group provides electric vehicle sharing services, namely for electric bicycles. Each bike sharing service comprises a single performance obligation which is satisfied at a point in time.

**3 Significant Accounting Policies** (cont'd)

(t) Revenue Recognition (cont'd)

(iii) Technology licensing

Upfront one-time payment fee for technology licensing is recognised over time throughout the license period as the licensee simultaneously receives and consumes the benefit from the Group's performance of providing access to its technology.

Recurring technology support fee is recognised on a period basis as a percentage of the revenue generated by the licensee in accordance with terms as stated in the technology licensing agreement.

(u) Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowings of funds.

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

(v) Employee Benefits

Employee benefits are recognised as an expense, unless the cost qualifies to be capitalised as an asset.

(i) Defined contribution plans

Defined contribution plans are post-employment benefit plans under which the Group pays fixed contributions into separate entities on a mandatory, contractual or voluntary basis. The Group has no further payment obligations once the contributions have been paid.

(ii) Employee leave entitlements

No provision has been made for employee annual leave entitlements as generally any unconsumed annual leave not utilised will be forfeited.

(w) Leases

(i) When the Group is the lessee

*Lessee – operating lease*

Leases of property premises where substantially all risks and rewards incidental to ownership are retained by the lessors are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessors) are recognised in profit or loss on a straight-line basis over the period of the lease.

Contingent rents are recognised as an expense in profit or loss when incurred.

**3 Significant Accounting Policies** (cont'd)

(x) Income Tax

Income tax expense represents the sum of the tax currently payable and deferred tax.

(i) Current tax

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

(ii) Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised.

Such deferred tax assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and associates except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

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

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

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

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

The Group recognises a previously unrecognised deferred tax asset to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

**3 Significant Accounting Policies** (cont'd)

(x) Income Tax (cont'd)

(ii) Deferred tax (cont'd)

Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, would be recognised subsequently if new information about facts and circumstances changed. The adjustment would either be treated as a reduction to goodwill (as long as it does not exceed goodwill) if it is incurred during the measurement period or in profit or loss.

For the purposes of measuring deferred tax liabilities and deferred tax assets for investment properties that are measured using fair value model, the carrying amounts of such properties are presumed to be recovered entirely through sale, unless the presumption is rebutted. The presumption is rebutted when the investment property is depreciable and is held within a business model whose objective is to consume substantially all of the economic benefit embodied in the investment property over time, rather than through sale.

(iii) Current and deferred tax for the period

Current and deferred tax are recognised as income or an expense in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where the current and deferred tax arises from the initial accounting for a business combination, the tax effect is taken into account in the accounting for the business combination.

(y) Segment Reporting

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

(z) Assets Held for Sale and Discontinued Operations

Disposal groups are classified as held for sales or distribution if their carrying amount will be recovered through a sale transaction or distribution rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset (or disposal group) is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of the classification.

When the Group is committed to a sale plan involving loss of control of a subsidiary, all of the assets and liabilities of that subsidiary are classified as held for sale when the criteria set out below are met, regardless of whether the Group will retain a non-controlling interest in its former subsidiary after the sale. Non-current assets (disposal groups) classified as held for sale (held for distribution) are measured at the lower of the assets' previous carrying amount and fair value less cost to sell (fair value less costs to distribute).

The assets are not depreciated or amortised while they are classified as held for sale. Any impairment loss on initial classification and subsequent measurement is recognised as an expense. Any subsequent increase in fair value less costs to sell (not exceeding the accumulated impairment loss that has been previously recognised) is recognised in profit or loss.

**3 Significant Accounting Policies** (cont'd)

(z) Assets Held for Sale and Discontinued Operations (cont'd)

A discontinued operation is a component of an entity that either has been disposed of, or that is classified as held for sale and;

- 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; or
- is a subsidiary acquired exclusively with a view to resale.

When a component of an entity qualifies as a discontinued operation, the comparative statement of comprehensive income is retrospectively restated to segregate the results of all operations that have been discontinued by the end of the latest reporting period.

(aa) Related Parties

A related party is defined as follows:

A related party is a person or entity that is related to the entity that is preparing its financial statements (in this Standard referred to as the "reporting entity").

a. A person or a close member of that person's family is related to a reporting entity if that person:

   i. has control or joint control over the reporting entity;

   ii. has significant influence over the reporting entity; or

   iii. is a member of the key management personnel of the reporting entity or of a parent of the reporting entity.

b. An entity is related to a reporting entity if any of the following conditions applies:

   i. the entity and the reporting entity are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others);

   ii. one entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member);

   iii. both entities are joint ventures of the same third party;

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

   v. the entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity. If the reporting entity is itself such a plan, the sponsoring employers are also related to the reporting entity;

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

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

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

## 4 Critical Accounting Judgements and Key Sources of Estimation Uncertainty

In the application of the Group's accounting policies, which are described in Note 3, the 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.

(i) Critical judgements in applying accounting policies

In addition to the going concern assumption disclosed in Note 3(b), in the process of applying the Group's accounting policies, the application of judgements that are expected to have a significant effect on the amounts recognised in the financial statements are as follows:

(a) Allowance for inventory obsolescence

Changes in market conditions and technology advances, and the corresponding effects on customer's demand levels and specification requirements, may result in excess, slow-moving or obsolete inventories that command selling prices below costs. At the end of each reporting period, the Group reviews the carrying amount of its inventories to ensure that they are stated at the lower of cost and net realisable value ("NRV"). Management uses judgement in the estimation of the NRV and allowance for inventory obsolescence, based on the best available facts and circumstances at the end of each reporting period. Inappropriate judgment in the estimates made could result in changes to the amount of the allowance for inventory obsolescence.

For the current financial period, the Group recognised an allowance for inventories obsolescence of RMB255,000. For the previous financial year, the Group had recognised a write down of inventories amounted to RMB4,033,000. The carrying amount of the Group's inventories as at 31 March 2019 and the related inventories obsolescence/write down of inventories are disclosed in Note 19.

(b) Impairment of property, plant and equipment

Property, plant and equipment are reviewed for impairment whenever there is any indication that the assets are impaired. If any such indication exists, the recoverable amount is estimated in order to determine the extent of the impairment loss (if any). Recoverable amount is the higher of fair value less cost to sell and value in use.

No allowance for impairment loss of property, plant and equipment has been recognised in the profit or loss of the Group for the current financial period (31/12/17: Impairment loss of RMB19,110,000 – Note 13). The carrying amount of the Group's property, plant and equipment as at 31 March 2019 is disclosed in Note 13.

(c) Impairment of investment in subsidiaries

As at 31 March 2019, the carrying amount of the Company's investments in subsidiaries amounted to RMB2,865,000 (31/12/17: Nil). Allowance for impairment loss amounting to RMB5,900,000 (31/12/17: RMB41,908,000) (Note 16) has been recognised for the Company's investment in subsidiaries for the current financial period. The estimates of the recoverable amounts of the investments have been determined based on the net realisable values of the net tangible assets of the subsidiaries as at the end of the reporting period, which in the management's judgement, approximates the recoverable amounts of the investments in subsidiaries as at that date. The impairment loss has no impact on the consolidated financial statements of the Group.

**4 Critical Accounting Judgements and Key Sources of Estimation Uncertainty** (cont'd)

(ii) Key sources of estimation uncertainty

The estimates at 1 January 2017 and 31 December 2017 are consistent with those made for the same dates in accordance with SFRS. The estimates used by the Group to present these amounts in accordance with SFRS(I) reflect conditions at 1 January 2017, the date of transition of SFRS(I) and as of 31 December 2017.

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

(a) Useful lives of intangible assets

Intangible assets are amortised on a straight-line method over their estimated useful lives. Management estimates the useful lives of intangible assets to be within 3 to 9 years. The carrying amount of the Group's intangible assets as at 31 March 2019 amounted to RMB8,450,000 (31/12/17: Nil) (Note 14). Changes in the expected level of usage and technological developments could impact the economic useful lives of these assets, therefore future amortisation charges could be revised.

A 10% difference in the expected useful lives of intangible assets from management's estimates would not result in a significant impact to the results of the Group for the current financial period.

(b) Impairment of intangible assets

Intangible assets is tested for impairment whenever there is indication that the intangible assets may be impaired. The recoverable amount of the intangible assets is based on value in use ("VIU") calculation. VIU is based on cash flow forecast, the preparation of which requires management to use assumptions and estimates relating budgeted growth margin, revenue growth rate, terminal growth rate and discount rate of each CGU. Changes to the assumptions and estimates used could result in changes in the carrying amount of the intangible assets.

No impairment loss was recognised for the intangible assets as at 31 March 2019. The carrying amount of the Group's intangible assets as at 31 March 2019 is disclosed in Note 14.

(c) Impairment of goodwill

Goodwill is tested for impairment annually and whenever there is indication that the goodwill may be impaired. The recoverable amount of the cash-generating unit ("CGU") to which goodwill has been allocated is based on value in use ("VIU") calculation. VIU is based on cash flow forecast, the preparation of which requires management to use assumptions and estimates relating budgeted growth margin, revenue growth rate, terminal growth rate and discount rate of each CGU. Changes to the assumptions and estimates used could result in changes in the carrying amount of the goodwill.

No impairment loss was recognised for the goodwill as at 31 March 2019. The carrying amount of the Group's goodwill as at 31 March 2019 and the details of the impairment testing are set out in Note 15.

**4 Critical Accounting Judgements and Key Sources of Estimation Uncertainty** (cont'd)

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

(d) Allowance for expected credit loss of trade receivables

The Group uses a provision matrix to calculate allowance for expected credit loss (ECL) for trade receivables. The provision rates are based on internal credit ratings for groupings of various customer segments that have similar loss patterns. The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust historical credit loss experience with forward-looking information. At every reporting date, historical default rates are updated and changes in the forward-looking estimates are analysed. The assessment of the correlation between internal credit ratings, historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in the internal credit ratings of the customers. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future.

The information about the ECLs on the Group's trade receivables is disclosed in Notes 20 and 29. The carrying amount of the Group's trade receivables as at 31 March 2019 is disclosed in Note 20.

**5 Revenue**

Disaggregation of revenue

The Group's revenue is disaggregated by the type of goods or services provided to customers, geographical markets, and timing of goods or services transferred.

| | Group | |
|---|---|---|
| | Period from 1/1/18 to 31/3/19 | Year ended 31/12/17 |
| | RMB'000 | RMB'000 (Restated) |
| **Green Energy Business** | | |
| Type of goods or services | | |
| Charging equipment and services | 2,383 | – |
| Electric vehicle sharing services | 1,337 | – |
| Total revenue from contracts with customers | 3,720 | – |
| Geographical markets | | |
| PRC | 2,383 | – |
| Singapore | 736 | – |
| Malaysia | 601 | – |
| Total revenue from contracts with customers | 3,720 | – |
| Goods or services transferred at a point in time | 3,720 | – |

## 6 Loss before Income Tax from Continuing Operations

| | Group | |
|---|---|---|
| | Period from 1/1/18 to 31/3/19 | Year ended 31/12/17 |
| | RMB'000 | RMB'000 (Restated) |
| The following items have been included in arriving at loss before income tax: | | |
| Included in cost of sales: | | |
| - Depreciation of property, plant and equipment | 385 | – |
| - Amortisation of intangible assets | 2,251 | – |
| Included in administrative expenses: | | |
| - Depreciation of property, plant and equipment | 147 | – |
| - Audit fees - Current year | 332 | 394 |
| - Audit fees - Overprovision in prior year | – | (171) |
| - Audit fees - Other auditors | 61 | – |
| - Staff costs (Note 7) | 6,189 | 1,079 |
| Included in other operating expenses: | | |
| - Allowance for inventories obsolescence | 255 | – |
| - Loss on deemed disposal of associate (Note 17) | 538 | – |
| - Written-off property, plant and equipment | 223 | – |
| - Loss on disposal of property, plant and equipment, net | 11 | – |

There were no non-audit fees paid to the Company's external auditors for the financial period/year ended 31 March 2019 and 31 December 2017, respectively.

## 7 Staff Costs

| | Group | |
|---|---|---|
| | Period from 1/1/18 to 31/3/19 | Year ended 31/12/17 |
| | RMB'000 | RMB'000 (Restated) |
| Staff costs (including directors' remuneration): | | |
| - Directors' fees | 526 | 367 |
| - Directors of the Company | | |
| - Salaries | 2,905 | – |
| - Defined contribution plan | 80 | – |
| | 2,985 | – |
| - Key management personnel (other than directors) | | |
| - Salaries | 864 | 475 |
| - Defined contribution plan | 122 | 126 |
| | 986 | 601 |
| - Other than directors and key management personnel | | |
| - Salaries | 1,448 | 94 |
| - Defined contribution plan | 212 | 17 |
| - Other related costs | 32 | – |
| | 1,692 | 111 |
| | 6,189 | 1,079 |

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

## 8 Income Tax

| | Group | |
|---|---|---|
| | Period from 1/1/18 to 31/3/19 | Year ended 31/12/17 |
| | RMB'000 | RMB'000 (Restated) |
| Current income tax | – | – |

The income tax on the loss before income tax varies from the amount of income tax determined by applying the Singapore statutory income tax rate of 17% (31/12/17: 17%) due to the following differences:

| | Group | |
|---|---|---|
| | Period from 1/1/18 to 31/3/19 | Year ended 31/12/17 |
| | RMB'000 | RMB'000 (Restated) |
| Loss before income tax | (12,033) | (4,579) |
| Tax at statutory income tax rate | (2,046) | (778) |
| Non-deductible expenses | 731 | 778 |
| Non-taxable income | (2) | – |
| Effect of deferred tax asset not recognised | 1,721 | – |
| Effect of different tax rates | (404) | – |
| | – | – |

The corporate income tax rate applicable to the Company and those entities of the Group incorporated in Singapore is 17% (31/12/17: 17%). The income corporate tax rates applicable to those entities of the Group incorporated in Malaysia and the People's Republic of China ("PRC") is 24% (31/12/17: 25%) and 25% (31/12/17: 25%), respectively.

As at 31 March 2019, the Group has unutilised tax losses of RMB10,123,000 (31/12/17: Nil) from continuing operations which are available for offset against future taxable profits of those entities of the Group in which the tax losses arose, provided that the provisions of the relevant tax legislation of the respective jurisdictions in which they operate are complied with and subject to the agreement of the relevant tax authorities. The related deferred tax assets of RMB1,721,000 (31/12/17: Nil) arising from these unutilised tax losses have not been recognised in the financial statements in accordance with Note 3(x) to the financial statements. The unutilised tax losses have no expiry date other than the unutilised tax losses of the PRC entities of the Group amounting to RMB1,911,000 which expire 5 years from the year the tax losses arose.

## 9 Discontinued Operations

The Company had on 29 August 2018 entered into an equity transfer agreement with a third party to sell the entire issued and paid-up capital of two of its wholly owned subsidiaries, Zhihe (Fujian) Technology Co., Ltd. and Ziwo (Fujian) Import & Export Trading Co., Ltd. (collectively, the "Disposal Group"), which represents the Raw Materials Business operating segment of the Group, for an aggregate cash consideration of RMB3 million (the "Proposed Disposal). The Proposed Disposal was approved by the Company's shareholders in an extraordinary general meeting held on 29 April 2019 (Note 31).

As a consequence of the Proposed Disposal, management has used the unaudited management accounts of the Disposal Group as at 31 March 2019 to prepare the consolidated financial statements of the Group for the financial period from 1 January 2018 to 31 March 2019.

The results of the discontinued operations from the Disposal Group included in the Group's consolidated statement of comprehensive income is set out below. The comparative consolidated statement of comprehensive income has been restated to include the operations classified as discontinued for comparative purposes.

| | Group | |
|---|---|---|
| | Period from 1/1/18 to 31/3/19 | Year ended 31/12/17 |
| | RMB'000 | RMB'000 (Restated) |
| Loss for the period/year from discontinued operations | | |
| Revenue* | – | 21,532 |
| Cost of sales | – | 20,758 |
| Gross profit | – | 774 |
| Other income | 1 | 134 |
| Selling and distribution expenses | – | (3,580) |
| Administrative expenses | (1,335) | (21,501) |
| Net impairment losses on financial assets | – | (24,789) |
| Other operating expenses | – | (54,481) |
| Loss before income tax | (1,334) | (103,443) |
| Income tax | – | 286 |
| **Loss for the year from discontinued operations** | (1,334) | (103,157) |
| | | |
| Cash flows from discontinued operations | | |
| Net cash (outflow)/inflow from operating activities | (2,608) | 1,075 |
| Net cash (outflow) from investing activities | – | (54) |
| Net cash (outflow)/inflow from discontinued operations | (2,608) | 1,021 |

* Comprised revenue from SBR and other foamed material segment (discontinued in 2018), Sandwich mesh fabric (discontinued in 2016) and 30D Terylene filament yarn (discontinued in 2015).

Further details of the assets and liabilities directly related to the Disposal Group are disclosed in Note 10.

## 10 Assets and Liabilities Related to Disposal Group Classified as Held for Sale

As disclosed in Note 9, the Company had entered into an equity transfer agreement with a third party to sell the entire issued and paid-up capital of two of its wholly owned subsidiaries, Zhihe (Fujian) Technology Co., Ltd. and Ziwo (Fujian) Import & Export Trading Co., Ltd. (collectively, the "Disposal Group").

Details of the assets and liabilities directly related to the Disposal Group as at the reporting date are as follows:

| | Group<br>31/3/19<br>RMB'000 |
|---|---|
| Assets | |
| Land use rights (Note 12) | – |
| Property, plant and equipment (Note 13) | 1,237 |
| Inventories | 116 |
| Trade and other receivables | 17,780 |
| Cash and bank balances | 153 |
| Assets classified as held for sale | 19,286 |
| | |
| Liabilities | |
| Other payables | 32,263 |
| Liabilities classified as held for sale | 32,263 |

| | Company<br>31/3/19<br>RMB'000 |
|---|---|
| Assets | |
| - Investment in subsidiaries (Note 16)* | |
| - Zhihe (Fujian) Technology Co., Ltd | 130,000 |
| - Ziwo (Fujian) Import & Export Trading Co., Ltd | 10,178 |
| - Less: Allowance for impairment | (140,178) |
| | – |
| | |
| - Amounts due from subsidiaries (Note 20)* | 21,717 |
| - Less: Allowance for impairment | (21,717) |
| | – |
| Assets classified as held for sale | – |

* The investments in and amounts due from subsidiaries had been fully impaired as at 31 December 2017.

## 11 (Loss) per Share, Basic and Diluted

Basic (loss) per share is calculated by dividing the net (loss) attributable to equity holders of the Company by the weighted average number of ordinary shares outstanding during the period/year. The (loss) and weighted number of ordinary shares used in the calculation of basic (loss) per share are as follows:

| | Group | |
|---|---|---|
| | Period from 1/1/18 to 31/3/19 | Year ended 31/12/17 |
| | RMB'000 | RMB'000 (Restated) |
| (Loss) for the period/year attributable to equity holders of the Company | (10,181) | (107,736) |
| (Loss) used in the calculation of basic (loss) per share | (10,181) | (107,736) |
| (Loss) for the period/year from discontinued operations used in the calculation of basic (loss) per share from discontinued operations | (1,334) | (103,157) |
| (Loss) used in the calculation of basic (loss) per share from continuing operations | (8,847) | (4,579) |

For the purpose of calculating diluted (loss) per share, (loss) attributable to equity holders of the Company and the weighted average number of ordinary shares outstanding are adjusted for the effects of dilutive potential ordinary shares that could have been issued upon the exercise of all dilutive warrants. The average market value of the Company's shares for the purposes of calculating the dilutive effect of warrants was based on quoted market prices for the period during which the warrants were outstanding.

The (loss) used in the calculation of diluted (loss) per share are as follows:

| | Group | |
|---|---|---|
| | Period from 1/1/18 to 31/3/19 | Year ended 31/12/17 |
| | RMB'000 | RMB'000 (Restated) |
| (Loss) used in the calculation of diluted (loss) per share | (10,181) | (107,736) |
| (Loss) for the period/year from discontinued operations used in the calculation of diluted earnings per share from discontinued operations | (1,334) | (103,157) |
| (Loss) used in the calculation of diluted (loss) per share from continuing operations | (8,847) | (4,579) |

**11 (Loss) per Share, Basic and Diluted** (cont'd)

The weighted average number of ordinary shares for the purpose of diluted (loss) per share reconciles to the weighted average number of ordinary shares used in the calculation of basic (loss) per share as follows:

| | Group | |
|---|---|---|
| | Period from 1/1/18 to 31/3/19 | Year ended 31/12/17 |
| | | (Restated) |
| Weighted average number of ordinary shares used in the calculation of basic (loss) per share | 497,301,778 | 440,854,000 |
| Effects of dilutive potential ordinary shares: | | |
| Warrants | – | – |
| Weighted average number of ordinary shares used in the calculation of diluted (loss) per share | 497,301,778 | 440,854,000 |

The outstanding warrants as at 31 March 2019 were anti-dilutive because their exercise price was higher than the average share price during the relevant financial period.

**12 Land Use Rights**

| | Group | |
|---|---|---|
| | 31/3/19 | 31/12/17 |
| | RMB'000 | RMB'000 |
| **Cost** | | |
| At beginning of the period/year | 51,390 | 51,390 |
| Transferred to assets classified as held for sale | (51,390) | – |
| At end of the period/year | – | 51,390 |
| **Accumulated amortisation** | | |
| At beginning of the period/year | 51,390 | 37,283 |
| Amortisation | – | 308 |
| Impairment loss | – | 13,799 |
| Transferred to assets classified as held for sale | (51,390) | – |
| At end of the period/year | – | 51,390 |
| **Net book value** | | |
| At 31/3/19 and 31/12/17 | – | – |
| At 1/1/17 | | 14,107 |

The Group has land use rights over certain plots of land in the PRC. The land use rights 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. The Group's land use rights related to the Disposal Group had been fully impaired as at 31 December 2017.

The land use rights related to the Disposal Group have been accordingly transferred to assets classified as held for sale (Note 10).

## 13 Property, Plant and Equipment

| | Leasehold building | Plant and machinery | Furniture fixtures and office equipment | Electric/ Motor vehicles | Total |
|---|---|---|---|---|---|
| | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 |
| **Group** | | | | | |
| Cost | | | | | |
| At 1/1/17 | 80,303 | 136,370 | 712 | 871 | 218,256 |
| Additions | – | 167 | 10 | – | 177 |
| Disposals | – | – | – | (281) | (281) |
| At 31/12/17 | 80,303 | 136,537 | 722 | 590 | 218,152 |
| Acquisition through business combinations (Note 16) | – | 500 | 3 | 64 | 567 |
| Additions | – | 143 | 249 | 1,704 | 2,096 |
| Written off | – | (126) | – | (179) | (305) |
| Disposals | – | – | – | (53) | (53) |
| Transferred to assets classified as held for sale | (80,303) | (136,537) | (722) | (590) | (218,152) |
| Translation adjustments | – | – | 2 | 8 | 10 |
| At 31/3/19 | – | 517 | 254 | 1,544 | 2,315 |
| Accumulated depreciation | | | | | |
| At 1/1/17 | 64,507 | 130,559 | 712 | 871 | 196,649 |
| Depreciation charge | 1,016 | 420 | 1 | – | 1,437 |
| Disposals | – | – | – | (281) | (281) |
| Impairment loss | 14,780 | 4,330 | – | – | 19,110 |
| At 31/12/17 | 80,303 | 135,309 | 713 | 590 | 216,915 |
| Depreciation charge | – | 65 | 71 | 396 | 532 |
| Written off | – | (15) | – | (67) | (82) |
| Disposals | – | – | – | (10) | (10) |
| Transferred to assets classified as held for sale | (80,303) | (135,309) | (713) | (590) | (216,915) |
| Translation adjustments | – | – | – | 1 | 1 |
| At 31/3/19 | – | 50 | 71 | 320 | 441 |
| Net book value | | | | | |
| At 31/3/19 | – | 467 | 183 | 1,224 | 1,874 |
| At 31/12/17 | – | 1,228 | 9 | – | 1,237 |
| At 1/1/17 | 15,796 | 5,811 | – | – | 21,607 |

Majority of the 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 Group's building and most of its plant and equipment related to the Disposal Group had been fully impaired as at 31 December 2017.

The property, plant and equipment related to the Disposal Group amounting to RMB1,237,000 have been accordingly transferred to assets classified as held for sale (Note 10).

## 14 Intangible Assets

| | Technology know-how | Software applications | Trademarks | Total |
|---|---|---|---|---|
| | RMB'000 | RMB'000 | RMB'000 | RMB'000 |
| **Group** | | | | |
| Cost | | | | |
| At 1/1/17 and 31/12/17 | – | – | – | – |
| Acquisition through business combinations (Note 16) | 9,600 | – | – | 9,600 |
| Additions | – | 1,089 | 7 | 1,096 |
| At 31/3/19 | 9,600 | 1,089 | 7 | 10,696 |
| Accumulated amortisation | | | | |
| At 1/1/17 and 31/12/17 | – | – | – | – |
| Amortisation charge | 1,714 | 536 | 1 | 2,251 |
| Translation adjustments | – | (5) | – | (5) |
| At 31/3/19 | 1,714 | 531 | 1 | 2,246 |
| Net book value | | | | |
| At 31/3/19 | 7,886 | 558 | 6 | 8,450 |

Technology know-how relates to the Group's development of the electric vehicle charging equipment technology solutions and is amortised over a period of 9 years.

Software applications relate to the Group's development of the electric-vehicle sharing applications and is amortised over a period of 3 years.

Trademarks relate to "Uniride" acquired by the Group from a related party and is amortised over a period of 3 years.

## 15 Goodwill

| | Group | |
|---|---|---|
| | 31/3/19 | 31/12/17 |
| | RMB'000 | RMB'000 |
| Goodwill arising from business combinations (Note 16) | 3,375 | – |

Impairment testing of goodwill

The goodwill arising on consolidation relates to the excess of the cost of acquisition over the fair value of the Group's share of the net identifiable assets acquired in the following allocated subsidiaries ("cash generating units" or "CGUs") under the Green Energy Business operating segment of the Group as set out as below.

| | Group |
|---|---|
| | 31/3/19 |
| | RMB'000 |
| Allocated cash generating units (CGU) | |
| Beijing E-star Electric Technology Co. Ltd ("Beijing Estar") | 627 |
| Uniride Ecotour Sdn. Bhd. ("Uniride") | 2,748 |
| | 3,375 |

**15 Goodwill** (cont'd)

The Group has assessed the recoverable amounts of each CGU based on value in use calculations, using cash flow projections from financial budgets approved by management covering a five-year period. The pre-tax discount rate applied to the cash flow projections, forecasted growth rates and the terminal values used to extrapolate cash flow projections beyond the five-year period are set out as below.

| | Beijing Estar | Uniride |
|---|---|---|
| Growth rate | 30% to 75% | 64% to 109% |
| Terminal value | Nil | Nil |
| Pre-tax discount rate | 13.73% | 13.73% |

Based on the value in use calculations performed by management in relation to the above CGUs, the recoverable amounts of the respective CGUs were determined to be in excess of their carrying amounts. Accordingly, management has determined that no impairment is required for the Group's goodwill as at 31 March 2019.

Sensitivity analysis

Management believes that any reasonably possible change in the key assumptions and inputs used in the value in use calculations would not cause the recoverable amounts of the respective CGUs to be lower than their carrying amounts, given the recoverable amounts' excess headroom.

**16 Subsidiaries**

| | Company | | |
|---|---|---|---|
| | 31/3/19 | 31/12/17 | 1/1/17 |
| | RMB'000 | RMB'000 | RMB'000 |
| Unquoted equity shares, at cost* | 8,618 | 140,178 | 140,178 |
| Less: Allowance for impairment loss | (5,900) | (140,178) | (98,270) |
| Translation adjustments | 147 | – | – |
| | 2,865 | – | 41,908 |

* The investments relating to the Disposal Group have been accordingly transferred to assets classified as held for sale (Note 10).

The movement in the allowance for impairment loss during the financial period/year is as follows:

| | Company | |
|---|---|---|
| | 31/3/19 | 31/12/17 |
| | RMB'000 | RMB'000 |
| At beginning of the period/year | 140,178 | 98,270 |
| Transferred to assets classified as held for sale | (140,178) | – |
| Allowance for impairment loss | 5,900 | 41,908 |
| At end of the period/year | 5,900 | 140,178 |

As at 31 December 2017, an additional allowance for impairment of RMB41,908,000 had been recognised to fully impaired the Company's cost of investments in Zhihe (Fujian) Technology Co., Ltd. and Ziwo (Fujian) Import & Export Trading Co., Ltd.

**16 Subsidiaries** (cont'd)

As at 31 March 2019, an allowance for impairment of RMB5,900,000 has been recognised for the Company's cost of investment in Estar Investments Pte. Ltd., as the allocated group of cash generating units (CGUs), to which the investment relates to, were incurring losses from operations. The recoverable amount was determined based on the fair value of the net tangible assets of the CGUs, which in the management's judgement, approximates the recoverable amount of the investment. The fair value measurement is under Level 3 of the Fair Value Hierarchy as disclosed in Note 29(b). The CGUs do not hold any significant property, plant and equipment and non-current assets as at 31 March 2019. The impairment loss has no impact on the consolidated financial statement of the Group.

Details of the Company's subsidiaries as at the reporting date are as follows:

| Name | Country of incorporation/ Principal place of business | Effective equity interest held by the Group | | | Principal activities |
|---|---|---|---|---|---|
| | | 31/3/19 | 31/12/17 | 1/1/17 | |
| | | % | % | % | |
| Held by the Company | | | | | |
| Zhihe (Fujian) Technology Co., Ltd.[2][5] | PRC | 100 | 100 | 100 | Research and development, manufacture and sale of 30D terylene filament yarn, sandwich mesh fabric, SBR and other foamed materials |
| Ziwo (Fujian) Import & Export Trading Co., Ltd. [2] [5] | PRC | 100 | 100 | 100 | Trading in foamed materials, textile, sports and sports accessories, garments and footwears |
| Estar Investments Pte. Ltd. [1] | Singapore | 65 | – | – | Investment holding company |
| Held by Zhihe (Fujian) Technology Co., Ltd.: | | | | | |
| Quanzhou Yixiang Textile Co., Ltd.[2] [5] | PRC | 100 | 100 | 100 | Dormant company |
| Held by Estar Investments Pte. Ltd. | | | | | |
| WeiHai XinNeng Management Co., Ltd.[2] | PRC | 65 | – | – | Investment holding company |
| BM Mobility Sdn. Bhd. [3] | Malaysia | 65 | – | – | Investment holding company |
| BMM Solutions Pte. Ltd. ("BMM Solutions") [1] [4] | Singapore | 35.10 | – | – | Investment holding company |

**16 Subsidiaries** (cont'd)

| Name | Country of incorporation/ principal place of business | Effective equity interest held by the Group | | | Principal activities |
|---|---|---|---|---|---|
| | | 31/3/19 | 31/12/17 | 1/1/17 | |
| | | % | % | % | |
| Held by | | | | | |
| WeiHai XinNeng Management Co., Ltd | | | | | |
| Beijing E-Star Electric Technology Co., Ltd. ("Beijing Estar")[2] | PRC | 54.60 | – | – | Energy efficient electric vehicles charging solutions |
| Held by | | | | | |
| BM Mobility Sdn. Bhd. | | | | | |
| Wanted Marketing Communications Sdn. Bhd.[3] | Malaysia | 65 | – | – | Investment holding company |
| Held by | | | | | |
| Wanted Marketing Communications Sdn. Bhd. | | | | | |
| Uniride Ecotour Sdn. Bhd. ("Uniride")[3] | Malaysia | 48.75 | – | – | Energy efficient transportation and electric vehicles sharing |

(1) Audited by Moore Stephens LLP Singapore
(2) Audited or reviewed by Moore Stephens LLP Singapore for SFRS(I) consolidation purposes
(3) Audited by member firms of Moore Stephens International Limited in the respective countries
(4) Incorporated during the financial period
(5) Transferred to assets classified as held for sale

Non-controlling interests

The Group has the following subsidiary with material non-controlling interests:

| Name of subsidiary | Proportion equity interests held by non-controlling interests | | | Total comprehensive (loss) allocated to non-controlling interests | | Accumulated non-controlling interests | | |
|---|---|---|---|---|---|---|---|---|
| | 31/3/19 | 31/12/17 | 1/1/17 | 31/3/19 | 31/12/17 | 31/3/19 | 31/12/17 | 1/1/17 |
| | % | % | % | RMB '000 | RMB '000 | RMB '000 | RMB '000 | RMB '000 |
| Estar Investment Pte. Ltd. | 35 | – | – | (163) | – | (922) | – | – |

**16 Subsidiaries** (cont'd)

Summarised financial information before intercompany eliminations of the subsidiary with material non-controlling interests are as follows:

| | Estar Investments Pte. Ltd. |
|---|---|
| | RMB'000 |
| Non-current assets | 7,299 |
| Current assets | 4,681 |
| Current liabilities | (9,229) |
| Revenue | 118 |
| Loss for the year | (495) |
| Other comprehensive income | 28 |
| Total comprehensive loss for the year | (467) |
| Net cash flows generated from operating activities | 3,796 |
| Net cash flows (used in) investing activities | (3,780) |
| Net cash inflow | 16 |
| Dividends paid to non-controlling interests | – |

(a) Incorporation of a subsidiary

During the financial period, the Group through its subsidiary, Estar Investments Pte. Ltd. ("Estar Investments"), incorporated a new subsidiary, BMM Solutions Pte. Ltd. ("BMM Solutions") in Singapore, to engage in the business of electric vehicles sharing. Estar Investments holds a direct 54% equity interests in BMM Solutions for a total capital cash consideration of S$108,000 (equivalent to RMB535,000), fully paid in cash. The Group's effective equity interest in BMM Solutions is 35.10%.

(b) Addition investment in a subsidiary

During the financial period, the Group's subsidiary, Wanted Marketing Communication Sdn. Bhd. ("WMC") – (see (c) below), fully subscribed its share of the increased issued and paid-up share capital of its 75% owned subsidiary, Uniride Ecotour Sdn Bhd ("Uniride"), for a total capital cash contribution of RM990,000 (equivalent to RMB1,629,000), fully paid in cash. The Group's effective equity interest in Uniride remains at 48.75% of the enlarged share capital.

(c) Acquisitions

Step-up acquisition of Estar Investments Pte. Ltd. ("Estar") (previously an associate) and its subsidiaries ("Estar Subgroup")

On 2 January 2018, the Company completed the acquisition for the additional 20% equity interest in the share capital of Estar (previously an associate of the Group - Note 17), for a total consideration of S$570,000 (equivalent to RMB2,776,000), fully paid in cash. Following the completion of this additional acquisition, the Group's equity interest in Estar increased from 45% to 65%. Consequently, management has deemed the Estar Subgroup as subsidiaries of the Group with effect from 1 January 2018.

**16 Subsidiaries** (cont'd)

(c) Acquisitions (cont'd)

Step-up acquisition of Estar Investments Pte. Ltd. ("Estar") (previously an associate) and its subsidiaries ("Estar Subgroup") (cont'd)

Details of the assets acquired, liabilities recognised and consideration transferred in respect of the above step-up acquisition are as follows:

| | Estar Subgroup |
|---|---|
| | RMB'000 |
| Property, plant and equipment | 500 |
| Intangible assets | 9,600 |
| Investment security | 180 |
| Inventories | 897 |
| Trade and other receivables | 799 |
| Cash and bank balances | 677 |
| Trade and other payables | (3,078) |
| Non-controlling interest | 360 |
| Fair value of identifiable net assets | 9,935 |
| | |
| Consideration | |
| Consideration paid in cash for additional 20% equity interest | 2,776 |
| Previously held 45% equity interest | 4,309 |
| Less: Fair value of identifiable net assets acquired | (9,935) |
| Plus: Non-controlling interest* | 3,477 |
| Goodwill arising on step-up acquisition (Note 15) | 627 |
| | |
| Cash flow arising from step-up acquisition | |
| Consideration paid in cash | 2,776 |
| Less: Cash and cash equivalents in acquired subsidiaries | (677) |
| Net cash outflow on step-up acquisition | 2,099 |

* The Group has elected to measure the non-controlling interest at the non-controlling interest's proportionate share of the Estar Subgroup's identifiable net assets.

The acquired business of Estar Subgroup contributed revenue of approximately RMB2,401,000 and net loss of approximately RMB4,499,000 to the Group from 1 January 2018 (effective date of acquisition) to 31 March 2019.

**16 Subsidiaries** (cont'd)

(c) Acquisitions (cont'd)

Acquisition of WMC Group

During the financial period, the Group through its subsidiary, BM Mobility Sdn. Bhd., entered into a conditional sale and purchase agreement with third party individuals for the proposed acquisition of the 99.9992% (deemed as virtually wholly owned) issued and paid-up share capital of Wanted Marketing Communications Sdn. Bhd. ("WMC"), incorporated in Malaysia and engaged in the business of electric vehicles sharing, for a total consideration of RM850,000 (equivalent to RMB1,362,000), fully paid in cash. WMC has a direct 75% subsidiary, Uniride Ecotour Sdn. Bhd., incorporated in Malaysia and is engaged in the business of electric vehicle sharing (collectively, the "WMC Group"). The acquisition was considered completed in February 2018 and management has deemed the WMC Group as subsidiaries of the Group with effect from 1 January 2018.

The fair values of the identifiable assets and liabilities of the acquired WMC Group as at the deemed date of acquisition were:

| | WMC Group<br>RMB'000 |
|---|---|
| Property, plant and equipment | 67 |
| Trade and other receivables | 242 |
| Cash and bank balances | 55 |
| Trade and other payables | (1,961) |
| Non-controlling interest | 211 |
| Total identifiable net liabilities acquired at fair value | (1,386) |
| Purchase consideration | |
| Consideration paid in cash | 1,362 |
| Plus: Fair value of identifiable net liabilities acquired | 1,386 |
| Goodwill arising on acquisition (Note 15) | 2,748 |
| Cash flow arising from acquisition | |
| Consideration paid in cash | 1,362 |
| Less: Cash and cash equivalents in acquired subsidiaries | (55) |
| Net cash outflow on acquisition | 1,307 |

The acquired business of WMC Group contributed revenue of approximately RMB583,000 and net loss of approximately RMB2,166,000 to the Group from 1 January 2018 (effective date of acquisition) to 31 March 2019.

Goodwill arising on acquisitions

Goodwill arose in the acquisitions of Estar Subgroup and WMC Group and because the consideration paid for the business combinations effectively included amounts in relation to the benefit of revenue growth and future market development in the Green Energy Business operating segment of the Group. These benefits are not recognised separately from goodwill because they do not meet the recognition criteria for identifiable intangible assets. The goodwill arising on these acquisitions are not expected to be deductible for tax purposes.

Acquisition costs

Acquisition-related costs which are not material have been excluded from the consideration transferred and recognised as an expense under "Administrative expenses" line item in the profit or loss of the Group for the current financial period.

## 17 Investment in Associate

| | Group | | | Company | | |
|---|---|---|---|---|---|---|
| | 31/3/19 | 31/12/17 | 1/1/17 | 31/3/19 | 31/12/17 | 1/1/17 |
| | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 |
| Unquoted equity shares, at cost | – | 5,843 | – | – | 5,843 | – |
| Share of post-acquisition losses | – | (996) | – | – | – | – |
| | – | 4,847 | – | – | 5,843 | – |

Details of the Group's associate as at the reporting date is as follows:

| Name | Country of incorporation/ principal place of business | Effective equity interest held by the Group/Company | | | Principal activities |
|---|---|---|---|---|---|
| | | 31/3/19 | 31/12/17 | 1/1/17 | |
| | | % | % | % | |
| Held by the Company | | | | | |
| Estar Investments Pte. Ltd. ("Estar")[1] | Singapore | – | 45 | – | Investment holding company |
| Held by Estar Investments Pte. Ltd. | | | | | |
| BM Mobility Sdn. Bhd. | Malaysia | – | 45 | – | Investment holding company |

[1] Reclassified as a subsidiary of the Company (see Note 16).

Change in the Group's ownership interest in Estar

Prior to the completion of step-acquisition of Estar Subgroup as disclosed in Note 16, the Group had held an effective interest of 45% interest in Estar and accounted for the investment in Estar as an associate of the Group.

During the financial period, the Group has acquired an additional 20% equity interest in Estar as disclosed in Note 16. Consequently, the Group's effective interest in Estar increased from 45% to 65%, and accordingly, was reclassified as a subsidiary of the Group. The change in the Group's ownership interest in Estar resulted in a loss on deemed disposal of associate of RMB538,000 (Note 6) recognised in the profit or loss of the Group for the current financial period.

Summarised financial information in respect of the Group's associate, and not adjusted for the percentage of equity interest held by the Group, is set out as below.

| | 31/12/17 |
|---|---|
| | RMB'000 |
| Current assets | 2,373 |
| Non-current assets | 10,280 |
| Current liabilities | 3,078 |
| Non-controlling interests | 360 |
| Revenue | 187 |
| Loss for the year | (2,574) |
| Total comprehensive loss* | (2,574) |

* Share of associate's losses amounted to RMB996,000 was included in the Group's loss for the previous financial year ended 31 December 2017, accounted for using the equity method accounting.

## 17 Investment in Associate (cont'd)

Reconciliation of the above summarised financial information to the carrying amount of the interest in associate recognised in the consolidated financial statements:

| | 31/12/17 |
|---|---|
| | RMB'000 |
| Net assets of the associate | 9,935 |
| Proportion of the Group's ownership | 45% |
| | 4,470 |
| Add: Adjustments | 377 |
| Carrying amount of the Group's interest in associate | 4,847 |

## 18 Investment Security

| | Group | | |
|---|---|---|---|
| | 31/3/19 | 31/12/17 | 1/1/17 |
| | RMB'000 | RMB'000 | RMB'000 |
| *Equity investment measured at fair value through other comprehensive income* | | | |
| Unquoted equity shares* – acquisition through business combinations (Note 16) | – | – | – |

* Management has assessed the fair value of the investment security as Nil as at 31 March 2019. The fair value measurement is under Level 3 of the Fair Value Hierarchy as disclosed in Note 29(b). The investment security is considered not significant to the Group.

As per the Group's investment policy, the investment in equity shares are not held for trading. Instead, they are held mainly for long-term strategic purposes. Accordingly, the investment is designated at FVOCI as management believes that recognising short-term fluctuations in these investment's FVPL would not be consistent with the Group's strategy of holding these investments for long-term purposes.

## 19 Inventories

| | Group | | |
|---|---|---|---|
| | 31/3/19 | 31/12/17 | 1/1/17 |
| | RMB'000 | RMB'000 | RMB'000 |
| Green Energy Business | | | |
| At cost: | | | |
| Spare parts and consumables | 135 | – | – |
| Charging equipment components | 149 | – | – |
| | 284 | – | – |
| Raw Materials Business | | | |
| 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 |
| | 284 | 116 | 6,032 |

**19 Inventories** (cont'd)

During the financial period, the cost of inventories recognised as cost of sales – continued operations in the consolidated statement of comprehensive income amounted to RMB2,127,000 (31/12/17: Nil).

For the current financial period, the Group recognised an allowance for inventories obsolescence of RMB255,000 for the Green Energy Business. For the previous financial year, the Group had recognised a write down of inventories amounted to RMB4,033,000 for the Raw Materials Business.

**20 Trade and Other Receivables**

| | Group | | | Company | | |
|---|---|---|---|---|---|---|
| | 31/3/19 | 31/12/17 | 1/1/17 | 31/3/19 | 31/12/17 | 1/1/17 |
| | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 |
| Trade receivables, net of impairment (a): | | | | | | |
| - third parties | 1,246 | 10,688 | 30,152 | – | – | – |
| Other receivables, net of impairment: | | | | | | |
| Amount due from associate (b) | – | 487 | – | – | 487 | – |
| Amounts due from subsidiaries (b) | – | – | – | – | – | 36,251 |
| Amount due from related party (b) | 37 | – | – | – | – | – |
| Deposits | 35 | – | – | – | – | – |
| Other receivables | – | 1,610 | 2,542 | – | 981 | – |
| | 72 | 2,097 | 2,542 | – | 1,468 | 36,251 |
| Tax recoverable | 62 | – | – | – | – | – |
| Advances paid to suppliers | – | 40 | 28,252 | – | – | – |
| | 134 | 2,137 | 30,794 | – | 1,468 | 36,251 |
| | 1,380 | 12,825 | 60,946 | – | 1,468 | 36,251 |

(a) Trade receivables

Trade receivables are non-interest bearing and the credit period ranges from 30 to 90 days (31/12/17: 30 to 90 days; 1/1/17: 30 to 90 days).

At as 31 March 2019, included in trade receivables are consideration receivable from a customer for the sale and installation of charging stations. Under the relevant contracts, the Group provides a quarterly repayment terms to the customer in which the consideration is expected to be fully repaid within one year. As at 31 March 2019, the balance of the consideration receivable amounted to RMB1,220,000. The Group has not adjusted for the effects of a financing component given the repayment period is less than one year.

**20 Trade and Other Receivables** (cont'd)

(a) Trade receivables (cont'd)

Loss allowance for trade receivables has always been measured at an amount equal to lifetime expected credit losses (ECL) as disclosed in the accounting policy Note 3(l)(ii). There has been no change in the estimation techniques or significant assumptions made during the current reporting period. None of the trade receivables that have been written off is subject to enforcement activities.

The Group's credit risk exposure in relation to trade receivables under SFRS(I) 9 as at 31 March 2019 are set out in the provision matrix as presented below. The Group's provision for loss allowance is based on the numbers of days past due as the Group's historical credit loss experience does not show significantly different loss patterns for different customer segments.

The aging analysis of trade receivables, net of allowance for impairment, of the Group based on invoice date as at 31 March 2019 is as follows:

| | Group<br>31/3/19<br>RMB'000 |
|---|---|
| Within 30 days | 977 |
| 31 - 90 days | 265 |
| Over 90 days | 4 |
| | 1,246 |

The detailed ageing analysis of trade receivables of the Group as at 31 March 2019 is follows:

| | | Trade receivables past due | | |
|---|---|---|---|---|
| | Current | 31 – 90 days | 90 – 365 days | >365 days | Total |
| | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 |
| **Group** | | | | | |
| Trade receivables - gross carrying amount at default | 977 | 265 | 4 | – | 1,246 |
| Loss allowance - lifetime ECL | – | – | – | – | – |
| | 977 | 265 | 4 | – | 1,246 |

There is no loss allowance arising from these outstanding trade receivables as the expected credit losses are insignificant.

**20 Trade and Other Receivables** (cont'd)

(a) Trade receivables (cont'd)

Previous accounting policy for impairment of trade receivables

As at 31 December 2017 and 1 January 2017, trade receivables included amounts which were past due at the end of the reporting period but for which the Group has not recognised an allowance for impairment loss because there has not been a significant change in credit quality, customers were still paying progressively and/or having ongoing transactions with the Group. Management determined that these amounts are still considered recoverable and they were long-time customers of the Group and the Group was regularly in close contact with them. 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.

| | Group | |
|---|---|---|
| | **31/12/17** | **1/1/17** |
| | **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 |

The carrying amount of trade receivables individually determined to be impaired as at the end of reporting period and the movement in the related allowance for impairment for the financial year ended 31 December 2017 is as follows:

| | Group | |
|---|---|---|
| | **31/12/17** | **1/1/17** |
| | **RMB'000** | **RMB'000** |
| Trade receivables-nominal amounts | 60,694 | 37,649 |
| Less: Allowance for impairment | (60,694) | (37,649) |
| | – | – |

| | |
|---|---|
| Movement in allowance for impairment account: | |
| As at 1/1/17 | 37,649 |
| Charge for the year | 23,545 |
| Reversal of impairment on trade receivables | (500) |
| As at 31/12/17 | 60,694 |

**20 Trade and Other Receivables** (cont'd)

(b) The amounts due from associate, subsidiaries and related party are non-trade in nature, unsecured, interest-free and repayable on demand in cash.

| | Company | | |
|---|---|---|---|
| | 31/3/19 | 31/12/17 | 1/1/17 |
| | RMB'000 | RMB'000 | RMB'000 |
| Amounts due from subsidiaries* | 10,733 | 21,717 | 36,251 |
| Less: Allowance for impairment loss | (10,733) | (21,717) | – |
| | – | – | 36,251 |

* The amounts due from subsidiaries relating to the Disposal Group have been accordingly transferred to assets classified as held for sale (Note 10).

The movement in the allowance for impairment loss during the financial period/year is as follows:

| | Company | |
|---|---|---|
| | 31/3/19 | 31/12/17 |
| | RMB'000 | RMB'000 |
| At beginning of the period/year | 21,717 | – |
| Transferred to assets classified as held for sale | (21,717) | – |
| Allowance for impairment loss | 10,733 | 21,717 |
| At end of the period/year | 10,733 | 21,717 |

(c) Impairment loss on financial assets

For purpose of impairment assessment, the other receivables are considered to have low credit risk as they are not due for payment at the end of the reporting period and there has been no significant increase in the risk of default on these receivables since initial recognition. Accordingly, for the purpose of impairment assessment for the other receivables, the loss allowance is measured at an amount equal to 12-month ECL which reflects the low credit risk of the exposures. There is no allowance arising from these outstanding receivables as the expected credit losses are insignificant. There has been no change in the estimation techniques or significant assumptions made during the current reporting period in assessing the loss allowance for these financial assets.

**21 Cash and Bank Balances**

| | Group | | | Company | | |
|---|---|---|---|---|---|---|
| | 31/3/19 | 31/12/17 | 1/1/17 | 31/3/19 | 31/12/17 | 1/1/17 |
| | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 |
| Cash and bank balances - per consolidated statement of cash flows | 2,001 | 3,157 | 2,798 | 886 | 440 | 34 |

Cash at bank bears interests during the financial period/year but the amounts were insignificant.

## 22 Share Capital

| | Issued and fully paid | | | |
|---|---|---|---|---|
| | No. of ordinary shares | | Amount | |
| | 31/3/19 | 31/12/17 | 31/3/19 | 31/12/17 |
| | | | RMB'000 | RMB'000 |
| **Group and Company** | | | | |
| At beginning of period/year | 467,926,732 | 373,717,184 | 195,561 | 185,637 |
| Issue of shares, net of expenses | – | 94,209,548 | – | 9,924 |
| Issue of shares upon exercise of warrants (Note 23) | 61,486,000 | – | 4,047 | – |
| At end of period/year | 529,412,732 | 467,926,732 | 199,608 | 195,561 |

Ordinary shares of the Company do not have any par value. 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 restrictions and rank equally with respect to the Company's residual assets.

## 23 Warrants

| | Issued and fully paid | | | |
|---|---|---|---|---|
| | No. of warrants | | Amount | |
| | 31/3/19 | 31/12/17 | 31/3/19 | 31/12/17 |
| | | | RMB'000 | RMB'000 |
| **Group and Company** | | | | |
| At beginning of period/year | – | – | – | – |
| Issue of warrants, net of expenses | 935,853,464 | – | 13,773 | – |
| Exercise of warrants | (61,486,000) | – | (968) | – |
| At end of period/year | 874,367,464 | – | 12,805 | – |

On 14 February 2018, the Company issued 935,853,464 listed 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 (defined as new shares to be allotted and issued by the Company, credited as fully paid, upon the exercise of the warrants) 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. The warrants will expire on 13 February 2021.

During the financial period, 61,486,000 warrants were exercised to acquire ordinary shares of the Company (Note 22).

## 24 Reserves

| | Group | | | Company | | |
|---|---|---|---|---|---|---|
| | 31/3/19 | 31/12/17 | 1/1/17 | 31/3/19 | 31/12/17 | 1/1/17 |
| | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 |
| Exchange translation reserve (a) | 215 | – | – | 309 | – | – |
| Statutory reserve (b) | 42,794 | 42,794 | 42,794 | – | – | – |
| Other reserve (c) | (98) | – | – | – | – | – |
| | 42,911 | 42,794 | 42,794 | 309 | – | – |

Movements in reserves for the Group are set out in the consolidated statement of changes in equity.

(a) The exchange translation reserve is used to record foreign exchange differences arising from the translation of the financial statements of Group entities whose functional currencies are different from that of the Group's presentation currency.

(b) 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.

(c) The other reserve arose from the fair value loss of investment equity at FVOCI that have been recognised in other comprehensive income.

## 25 Trade and Other Payables

| | Group | | | Company | | |
|---|---|---|---|---|---|---|
| | 31/3/19 | 31/12/17 | 1/1/17 | 31/3/19 | 31/12/17 | 1/1/17 |
| | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 |
| Non-current liabilities | | | | | | |
| Other payables: | | | | | | |
| Deferred revenue (c) | 523 | – | – | 523 | – | – |
| Redeemable notes (d) | 668 | – | – | 668 | – | – |
| | 1,191 | – | – | 1,191 | – | – |
| Current liabilities | | | | | | |
| Trade payables (a) | 312 | – | – | – | – | – |
| Advances received from customers | – | 358 | 358 | – | – | – |
| Accrued operating expenses | 1,966 | 11,899 | 9,175 | 1,765 | 3,138 | – |
| Amount due to a former director (b) | 2,971 | 19,699 | 6,702 | 2,971 | 3,699 | 1,702 |
| Amount owing to subsidiaries (b) | – | – | – | – | – | 14,655 |
| Amount due to related parties (b) | 1,042 | – | – | – | – | – |
| Deferred revenue (c) | 300 | – | – | 131 | – | – |
| Other payables | 1,109 | 2,233 | 4,045 | 1,031 | 110 | 3,652 |
| | 7,700 | 34,189 | 20,280 | 5,898 | 6,947 | 20,009 |
| | 8,891 | 34,189 | 20,280 | 7,089 | 6,947 | 20,009 |

**25 Trade and Other Payables** (cont'd)

(a) Trade payables are non-interest bearing and are usually settled within 30 - 90 days term.

(b) The amounts owing to a former director, subsidiaries and related parties are non-trade, unsecured, interest-free, and repayable on demand in cash. Included in the amounts due to related parties is an amount of RMB909,000 (31/12/17: Nil; 1/1/17: Nil) due from a director of a subsidiary of the Group.

(c) During the financial period, the Group entered into a technology licensing agreement with a licensee to license the Group's electric vehicle sharing technology for the purposes of operating electric-vehicle sharing service in selected places in Malaysia. The upfront one-time payment fee of RM400,000 (equivalent to RMB656,000) is included in deferred revenue as contract liabilities to be recognised over time throughout the license period.

(d) During the financial period, the Company entered into a redeemable note arrangement with a third party (the "Lender") for a USD loan amount of US$100,000 (equivalent to RMB668,000) with interest bearing of 4% per annum payable annually. The redeemable note by the Lender will mature in March 2021.

**26 Operating Lease Commitments**

The Group leases office premises under operating lease agreements. The operating lease payments are negotiated for a term of two years with renewable options. The future minimum lease payables under operating leases contracted for as at the reporting period but not recognised as liabilities in the financial statements are as follows:

| | Group | |
|---|---|---|
| | 31/3/19 | 31/12/17 |
| | RMB'000 | RMB'000 |
| Not later than one year | 272 | 14 |
| Later than one year and not later than five years | 178 | – |
| Later than five years | 64 | – |
| | 514 | 14 |

The Company did not have any operating leases as at the end of the financial period/year.

**27 Segments Information**

Management determines the operating segments based on reports reviewed and used for strategic decisions by the Group's chief operating decision maker for the purposes of resource allocation and assessment of segment performance. The Group's operating segments are organised into:

- Green Energy Business
- Raw Materials Business

Green Energy Business which relates to the continuing operations of the Group comprised the provision of electric vehicle charging/sharing and related businesses.

Raw Materials Business which relates to the discontinued operations of the Group comprised the provision of SBR and other foamed material, Sandwich mesh fabric and 30D Terylene filament yarn.

**27 Segments Information** (cont'd)

| | Continuing operations | | Discontinued operations | | | |
|---|---|---|---|---|---|---|
| | Green Energy Business | | Raw Materials Business | | Group Total | |
| | Period from 1/1/18 to 31/3/19 | Year ended 31/12/17 | Period from 1/1/18 to 31/3/19 | Year ended 31/12/17 | Period from 1/1/18 to 31/3/19 | Year ended 31/12/17 |
| | RMB'000 | RMB'000 (Restated) | RMB'000 | RMB'000 (Restated) | RMB'000 | RMB'000 (Restated) |
| **Revenue** | | | | | | |
| External sales | 3,720 | – | – | 22,401 | 3,720 | 22,401 |
| Segment results | (6,821) | – | (1,334) | (103,443) | (8,155) | (103,443) |
| Interest income | | | | | 20 | – |
| Other income | | | | | 46 | – |
| Unallocated expenses | | | | | (5,278) | (4,579) |
| Loss before income tax | | | | | (13,367) | (108,022) |
| Income tax | | | | | – | 286 |
| Loss for the period/year | | | | | (13,367) | (107,736) |
| **Other information** | | | | | | |
| Purchase of property, plant and equipment | 2,096 | – | – | 177 | 2,096 | 177 |
| Purchase of intangible assets | 1,096 | – | – | – | 1,096 | – |
| Bad debts written off | – | – | – | 2,008 | – | 2,008 |
| Trade receivables written off | – | – | – | 1,437 | – | 1,437 |
| Depreciation of property, plant and equipment | 532 | – | – | 308 | 532 | 308 |
| Amortisation of intangible assets | 2,251 | – | – | – | 2,251 | – |
| Impairment loss of land use rights | – | – | – | 13,799 | – | 13,799 |
| Impairment loss of property, plant and equipment | – | – | – | 19,110 | – | 19,110 |
| Write-down of inventories | – | – | – | 4,033 | – | 4,033 |
| Allowance of inventories obsolescence | 255 | – | – | – | 255 | – |
| Written-off of property, plant and equipment | 223 | – | – | – | 223 | – |
| Loss on deemed disposal of an associate | 538 | – | – | – | 538 | – |
| Reversal on impairment of trade receivables | – | – | – | (500) | – | (500) |
| Loss/(Gain) on disposal of property, plant and equipment | 11 | – | – | (120) | 11 | (120) |
| Allowance for impairment of trade and other receivables | – | – | – | 25,289 | – | 25,289 |
| Written off of advances paid to suppliers | – | – | – | 28,000 | – | 28,000 |

**27 Segments Information** (cont'd)

| | Continuing operations Green Energy Business | | Discontinued operations Raw Materials Business | | Group Total | |
|---|---|---|---|---|---|---|
| | 31/3/19 | 31/12/17 | 31/3/19 | 31/12/17 | 31/3/19 | 31/12/17 |
| | RMB'000 | RMB'000 (Restated) | RMB'000 | RMB'000 (Restated) | RMB'000 | RMB'000 (Restated) |
| **Segment assets** | 16,533 | – | 19,286 | 15,599 | 35,819 | 15,599 |
| Unallocated corporate assets: | | | | | | |
| Investment in associate | | | | | – | 4,847 |
| Other current assets | | | | | – | 1,489 |
| Cash and bank balances | | | | | 886 | 440 |
| Total assets | | | | | 36,705 | 22,375 |
| **Segment liabilities** | 1,802 | – | 32,263 | 27,242 | 34,065 | 27,242 |
| Unallocated corporate liabilities: | | | | | | |
| Other payables | | | | | 7,089 | 6,947 |
| Total liabilities | | | | | 41,154 | 34,189 |

The revenue from external sales reported to the management is measured in a manner consistent with that in the consolidated statement of comprehensive income.

Management assesses the performance of the operating segments based on segment results. Segment results represent the profit or loss earned by each operating segment without allocation of corporate income/expenses of the holding company. 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 and total liabilities are measured in a manner consistent with that of the consolidated statement of financial position. All assets and liabilities are allocated to the operating segments other than corporate assets/liabilities of the holding company. This is the measure reported to the management for the purposes of monitoring segment performance and allocating resources between segment.

Major customers

Included in revenue arising from Green Energy Business of RMB3,720,000 were revenue of approximately RMB2,200,000 which arose from the Group's largest customer.

**27 Segment Information** (cont'd)

Geographical information

The Group operates in three principal geographical areas - Singapore (country of domicile), the PRC and Malaysia. Revenue and non-current assets information based on the geographical location of customers and assets respectively are as follows:

| | Revenue from external customers | | Non-current assets | |
|---|---|---|---|---|
| | Period from 1/1/18 to 31/3/19 | Year ended 31/12/17 | 31/3/19 | 31/12/17 |
| | RMB'000 | RMB'000 (Restated) | RMB'000 | RMB'000 |
| **Group** | | | | |
| Singapore | 736 | – | 1,188 | 4,847 |
| PRC | 2,383 | – | 8,354 | 1,237 |
| Malaysia | 601 | – | 4,157 | – |
| | 3,720 | – | 13,699 | 6,084 |

**28 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.

Related parties disclosed in these financial statements relate to the non-controlling interests of certain entities of the Group.

The remuneration of the directors of the Company and the Group's key management personnel are disclosed in Note 7.

**29 Financial Instruments**

(a) Financial Risk Management Objectives and Policies

The Group's activities expose it to foreign currency risk, interest rate risk, credit risk and liquidity risk. The Group's overall risk management strategy, which remains unchanged from prior year, seeks to minimise adverse effects from the unpredictability of financial markets on the Group's financial performance. The Board of Directors of the Company is responsible for setting the objectives and underlying principles of financial risk management for the Group. The Audit Committee provides independent oversight to the effectiveness of the risk management process.

The following sections provide details regarding the Group's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks.

**29 Financial Instruments** (cont'd)

(a) Financial Risk Management Objectives and Policies (cont'd)

Foreign currency risk

The Group does not have any significant transactional currency exposure arising from sales or purchases that are denominated in foreign currencies; consequently significant exposure to exchange rates fluctuation do not arise.

At present, the Group does not have any formal policy for hedging against currency risk. The Group ensures that the net exposure is kept to an acceptable level by buying and selling foreign currencies at spot rates, where necessary, to address short term imbalances.

In relation to its overseas investments in foreign subsidiaries whose net assets are exposed to currency translation risks and which are held for long term investment purposes, the differences arising from such translation are recorded under other comprehensive income and foreign currency translation reserve. These translation differences are reviewed and monitored on a regular basis.

The Group has not disclosed its exposure to foreign currency risk as management considers the Group's and the Company's risk exposure is not significant.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's 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 the redeemable notes and interest-bearing bank balances. Management however considers the exposure is not significant and therefore, no sensitivity analysis is presented.

Credit risk

Credit risk refers to the risk that the counterparty will default on its contractual obligations resulting in a loss to the Group. The Group's and the Company's exposure to credit risk arises primarily from trade and other receivables, amounts dues from subsidiaries, associate and related party, and cash and bank balances.

The Group has adopted a policy of only dealing with creditworthy counterparties. The Group performs ongoing credit evaluation of its counterparties' financial condition and generally do not require a collateral.

The Group considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period.

The Group has determined the default event on a financial asset to be when internal and/or external information indicates that the financial asset is unlikely to be received, which could include default of contractual payments due for more than one year or there is significant difficulty of the counterparty.

The credit risk concentration profile of the Group's trade receivables as at the reporting date is as follows:

| | Group | |
|---|---|---|
| | 31/3/19 | 31/12/17 |
| | RMB'000 | RMB'000 |
| Trade receivables by country: | | |
| PRC | 1,220 | 10,688 |
| Malaysia | 26 | – |
| | 1,246 | 10,688 |

**29 Financial Instruments** (cont'd)

(a) Financial Risk Management Objectives and Policies (cont'd)

Credit risk (cont'd)

*Trade receivables*

As disclosed in Note 3(l)(ii), the Group uses a provision matrix to measure the lifetime expected credit loss allowance for trade receivables. In measuring the expected credit losses, trade receivables are grouped based on their shared credit risk characteristics and numbers of days past due. The expected credit losses on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions as at the reporting date, including time value of money where appropriate.

Further details on the loss allowance of the Group's credit risk exposure in relation to the trade receivables is disclosed in Note 20.

*Cash and bank balances and other financial assets*

The cash and bank balances are entered into with bank and financial institution counterparties, which are rated A to BAA, based on rating agency ratings.

Impairment on cash and bank balances has been measured on the 12-month expected loss basis and reflects the short maturities of the exposure. The Group considers that its cash and bank balances have low credit risk based on the external credit ratings of the counterparties. The Group uses a similar approach for assessment of ECLs for cash and bank balances to those used for debt investments. The amount of the allowance on cash and bank balances was insignificant.

*Credit risk grading guideline*

The Group's management has established the Group's internal credit risk grading to the different exposures according to their degree of default risk. The internal credit risk grading which are used to report the Group's credit risk exposure to key management personnel for credit risk management purposes are as follows:

| Internal rating grades | Definition | Basis of recognition of expected credit loss (ECL) |
|---|---|---|
| i. Performing | The counterparty has a low risk of default and does not have any past-due amounts. | 12-month ECL |
| ii. Under-performing | There has been a significant increase in credit risk since initial recognition (i.e. interest and/or principal repayment are more than 90 days past due). | Lifetime ECL (not credit-impaired) |
| iii. Non-performing | There is evidence indicating that the asset is credit-impaired (i.e. interest and/or principal repayments are more than one year past due). | Lifetime ECL (credit impaired) |
| iv. Write-off | There is evidence indicating that there is no reasonable expectation of recovery as the debtor is in severe financial difficulty. | Asset is written off |

**29 Financial Instruments** (cont'd)

(a) Financial Risk Management Objectives and Policies (cont'd)

Credit risk (cont'd)

*Credit risk exposure and significant credit risk concentration*

The credit quality of the Group's financial assets, as well as maximum exposure to credit risk by credit risk rating grades is presented as follows:

| Group | Internal credit rating | ECL | Gross carrying amount | Loss allowance | Net carrying amount |
|---|---|---|---|---|---|
| | | | RMB'000 | RMB'000 | RMB'000 |
| **31/3/19** | | | | | |
| Trade receivables | Note A | Lifetime ECL (Simplified) | 1,246 | – | 1,246 |
| Other receivables | Performing | 12-month ECL | 72 | – | 72 |
| **31/12/17** | | | | | |
| Trade receivables | Note A | Lifetime ECL (Simplified) | 71,382 | (60,694) | 10,688 |
| Other receivables | Performing | 12-month ECL | 2,097 | – | 2,097 |
| Other receivables | Non-Performing | 12-month ECL | 1,744 | (1,744) | – |
| **1/1/17** | | | | | |
| Trade receivables | Note A | Lifetime ECL (Simplified) | 67,801 | (37,649) | 30,152 |
| Other receivables | Performing | 12-month ECL | 2,542 | – | 2,542 |

Note A – The Group have applied the simplified approach in SFRS(I) 9 to measure the loss allowance at lifetime ECL. The details of the loss allowance for these financial assets are disclosed in Note 20.

The credit quality of the Company's financial assets, as well as maximum exposure to credit risk by credit risk rating grades is presented as follows:

| Company | Internal credit rating | ECL | Gross carrying amount | Loss allowance | Net carrying amount |
|---|---|---|---|---|---|
| | | | RMB'000 | RMB'000 | RMB'000 |
| **31/3/19** | | | | | |
| Other receivables | Non-Performing | 12-month ECL | 10,733 | (10,733) | – |
| **31/12/17** | | | | | |
| Other receivables | Performing | 12-month ECL | 1,468 | – | 1,468 |
| Other receivables | Non-Performing | 12-month ECL | 21,717 | (21,717) | – |
| **1/1/17** | | | | | |
| Other receivables | Performing | 12-month ECL | 36,251 | – | 36,251 |

*SFRS 39 - financial assets that are neither past due nor impaired*

As at 31 December 2017 and 1 January 2017, trade and other receivables that are neither past due nor impaired are with credit-worthy debtors. The information of the past due financial assets (trade receivables) are disclosed in Note 20.

**29 Financial Risk Management** (cont'd)

(a) Financial Risk Management Objectives and Policies (cont'd)

Liquidity risk

To manage liquidity risk, the Group monitors its net operating cash flow, maintains a level of cash and bank balances and secured committed funding facilities from financial institutions. In assessing the adequacy of these facilities, the Group reviews working capital and capital expenditure requirements continually so as to mitigate the effects of fluctuations in the cash flows. When a potential shortfall in cash is anticipated, the Group will finance the shortfall by way of borrowings, share placements and/or issue of securities in a timely manner. The Group places its surplus funds with reputable banks.

Analysis of financial instruments by remaining contractual maturities

The table below summarises the maturity profile of the Group's and the Company's financial liabilities as at the reporting date based on contractual undiscounted repayment obligations.

| | Carrying amount | Contractual cash flow | Within one year | Within two to five year |
|---|---|---|---|---|
| | RMB'000 | RMB'000 | RMB'000 | RMB'000 |
| **Group** | | | | |
| **31/3/19** | | | | |
| Trade and other payables [1] | 8,068 | 8,118 | 7,423 | 695 |
| **31/12/17** | | | | |
| Trade and other payables [1] | 33,831 | 33,831 | 33,831 | – |
| **1/1/17** | | | | |
| Trade and other payables [1] | 19,922 | 19,922 | 19,922 | – |
| **Company** | | | | |
| **31/3/19** | | | | |
| Other payables [1] | 6,435 | 6,489 | 5,794 | 695 |
| **31/12/17** | | | | |
| Other payables [1] | 6,947 | 6,947 | 6,947 | – |
| **1/1/17** | | | | |
| Other payables [1] | 20,009 | 20,009 | 20,009 | – |

[1] Amount excludes deferred revenue and advances received from customers.

**29 Financial Risk Management** (cont'd)

(b) Fair Value

The Group categories fair value measurements using a fair value hierarchy that is dependent on the valuation inputs used as follows:

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

(ii) inputs other than quoted prices 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) (Level 2); and

(iii) inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3).

The fair value of non-current redeemable notes is calculated based on discounted expected future principal and interest cash flows, which approximates its carrying amount. The discount rates used are based on market rates for similar instruments as at the reporting date.

The fair values of other financial assets and financial liabilities with a maturity of less than one year, which are primarily cash and bank balances, trade and other receivables and trade and other payables, are assumed to approximate their carrying amounts because of the short-term maturity of these financial instruments.

The Group does not anticipate that the carrying amounts recorded at the reporting date would be significantly different from the amounts that would eventually be received or settled.

**30 Capital Management**

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern and to maintain an optimal capital structure so as to maximise shareholders' value. The Group manages its capital structure, and makes adjustment to it, in the light of changes in economic conditions. In order to maintain or achieve an optimal capital structure, the Group may adjust the amount of dividend payment, return capital to shareholders, issue new shares, buy back issued shares, obtain new borrowings or sell assets to reduce borrowings. No changes were made in the objectives, policies or processes during the financial period/year ended 31 March 2019 and 31 December 2017.

As disclosed in Note 24, 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. Other than this, the Group and the Company are not subject to any significant externally imposed capital requirements.

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, total liabilities (excluding current income tax payable) less cash and bank balances. Total equity includes equity attributable to the owners of the Company.

| | Group | | |
|---|---|---|---|
| | **31/3/19** | **31/12/17** | **1/1/17** |
| | **RMB'000** | **S$'000** | **RMB'000** |
| Net debt | 39,153 | 31,032 | 17,482 |
| Total equity | (4,449) | (11,814) | 85,998 |
| Net debt-to-equity ratio | N.M. | N.M. | 20% |

N.M.: Not meaningful as the Group has negative equity.

## 31 Subsequent Events

Subsequent to the financial period end, the Company's shareholders approved the Proposed Disposal of the Disposal Group (Note 9) in an extraordinary general meeting (EGM) held on 29 April 2019. Pursuant to the terms and conditions of the Proposed Disposal, the sale consideration of RMB3 million shall be satisfied fully in cash in two tranches, in the following manner:

(a) Within 14 days following the conclusion of the EGM, an amount of RMB2.3 million, representing 75% of the sale consideration shall be paid by the Purchaser; and

(b) Within 14 days upon receipt of the notice of registration in respect of the shares transfer in the PRC, an amount of RMB0.7 million, representing the balance of 25% of the sale consideration shall be paid by the Purchaser.

On completion of the Proposed Disposal, the Group estimates to recognise a gain on disposal of the Disposal Group of approximately RMB58.77 million.

On 18 June 2019, the Company announced that they have to date collected RMB600,000 of the sale consideration. The Purchaser is currently in negotiation with the Company for an extension of time to fulfil its payment obligations, specifically to pay the remaining amounts of the sale consideration within a period of 6 months from the EGM. As at the date of these financial statements, the shares of the relevant entities comprising the Disposal Group have not been transferred to the Purchaser.

## 32 Comparative Figures

Change in the financial year end

The current financial period comprised 15 months from 1 January 2018 to 31 March 2019 as the Group has changed its financial year end from 31 December to 31 March.

The comparative figures presented in the financial statements are not entirely comparable as they cover a period of only 12 months from 1 January 2017 to 31 December 2017.

## 33 Authorisation of Financial Statements

The financial statements for the financial period from 1 January 2018 to 31 March 2019 were authorised for issue in accordance with a resolution of the directors on the date of the Directors' Statement.

# STATISTICS OF SHAREHOLDINGS

As at 17 July 2019

| | | |
|---|---|---|
| NO. OF SHARES ISSUED | : | 529,412,732 |
| CLASS OF SHARES | : | ORDINARY SHARES |
| VOTING RIGHTS | : | ONE VOTE PER SHARE |
| NO. OF TREASURY SHARES AND SUBSIDIARY HOLDINGS | : | NIL |

## DISTRIBUTION OF SHAREHOLDINGS

| SIZE OF SHAREHOLDINGS | NO. OF SHAREHOLDERS | % | NO. OF SHARES | % |
|---|---|---|---|---|
| 1 - 99 | 4 | 0.37 | 126 | 0.00 |
| 100 - 1,000 | 90 | 8.28 | 37,193 | 0.01 |
| 1,001 - 10,000 | 229 | 21.07 | 1,518,780 | 0.29 |
| 10,001 - 1,000,000 | 721 | 66.33 | 72,771,101 | 13.74 |
| 1,000,001 AND ABOVE | 43 | 3.95 | 455,085,532 | 85.96 |
| **TOTAL** | **1,087** | **100.00** | **529,412,732** | **100.00** |

## TWENTY LARGEST SHAREHOLDERS AS AT 17 JULY 2019

| NO. | NAME | NO. OF SHARES | % |
|---|---|---|---|
| 1 | PHILLIP SECURITIES PTE LTD | 85,726,164 | 16.19 |
| 2 | KOO AH SEANG | 82,862,700 | 15.65 |
| 3 | TAY WEE KWANG | 68,101,000 | 12.86 |
| 4 | LOO SONG PHEOW | 18,015,000 | 3.40 |
| 5 | MAYBANK KIM ENG SECURITIES PTE. LTD | 15,260,200 | 2.88 |
| 6 | UOB KAY HIAN PTE LTD | 13,444,848 | 2.54 |
| 7 | LIM HWAI ENG | 12,649,300 | 2.39 |
| 8 | WANG JIANHONG | 12,500,000 | 2.36 |
| 9 | YONG CHOR KEN | 11,100,000 | 2.10 |
| 10 | LOH SONG QUEE | 10,800,000 | 2.04 |
| 11 | LIAO JIAN QIN | 10,415,800 | 1.97 |
| 12 | HONG JIANCHUN | 9,791,200 | 1.85 |
| 13 | CGS-CIMB SECURITIES (SINGAPORE) PTE LTD | 8,891,000 | 1.68 |
| 14 | OCBC SECURITIES PRIVATE LTD | 8,691,600 | 1.64 |
| 15 | LIM SAI GEOK | 8,480,000 | 1.60 |
| 16 | CHUA SOO HUAN LINDA | 6,000,000 | 1.13 |
| 17 | CHONG YANG KAN | 5,779,900 | 1.09 |
| 18 | RAFFLES NOMINEES (PTE) LIMITED | 5,678,600 | 1.07 |
| 19 | LEE EE TEONG | 5,220,000 | 0.99 |
| 20 | CHAI CHING NEE | 5,128,900 | 0.97 |
| | | **404,536,212** | **76.41** |

# STATISTICS OF SHAREHOLDINGS

As at 17 July 2019

## SUBSTANTIAL SHAREHOLDERS

| | | Direct Interest | | Deemed Interest | |
|---|---|---|---|---|---|
| No. | Name | No. of shares held | % | No. of shares held | % |
| 1. | Koo Ah Seang | 82,862,700 | 15.65 | – | – |
| 2. | Tay Wee Kwang | 68,101,000 | 12.86 | – | – |

## PERCENTAGE OF SHAREHOLDING IN PUBLIC'S HANDS

As at 17 July 2019, 71.45% 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.

# STATISTICS OF WARRANTHOLDINGS

As at 17 July 2019

## DISTRIBUTION OF WARRANTHOLDINGS

| SIZE OF WARRANTHOLDINGS | NO. OF WARRANTHOLDERS | % | NO. OF WARRANTS | % |
|---|---|---|---|---|
| 1 - 99 | 0 | 0.00 | 0 | 0.00 |
| 100 - 1,000 | 3 | 0.97 | 1,300 | 0.00 |
| 1,001 - 10,000 | 4 | 1.29 | 24,633 | 0.00 |
| 10,001 - 1,000,000 | 228 | 73.55 | 58,638,432 | 6.71 |
| 1,000,001 AND ABOVE | 75 | 24.19 | 815,703,099 | 93.29 |
| **TOTAL** | **310** | **100.00** | **874,367,464** | **100.00** |

## TWENTY LARGEST WARRANTHOLDERS AS AT 17 JULY 2019

| NO. | NAME | NO. OF WARRANTS | % |
|---|---|---|---|
| 1 | PHILLIP SECURITIES PTE LTD | 91,371,099 | 10.45 |
| 2 | UOB KAY HIAN PTE LTD | 80,236,500 | 9.18 |
| 3 | MAYBANK KIM ENG SECURITIES PTE. LTD | 62,940,000 | 7.20 |
| 4 | KOO AH SEANG | 56,167,900 | 6.42 |
| 5 | TAY WEE KWANG | 49,302,000 | 5.64 |
| 6 | LIM HWAI ENG | 29,961,200 | 3.43 |
| 7 | LOO SONG PHEOW | 29,948,000 | 3.43 |
| 8 | HONG JIANCHUN | 23,382,400 | 2.67 |
| 9 | LOH SONG QUEE | 21,600,000 | 2.47 |
| 10 | LIAO JIAN QIN | 20,831,600 | 2.38 |
| 11 | TEO POH HUA AGNES | 20,100,000 | 2.30 |
| 12 | YONG CHOR KEN | 19,768,000 | 2.26 |
| 13 | LIM SAI GEOK | 18,250,800 | 2.09 |
| 14 | YAP CHOON CHWEE | 18,149,000 | 2.08 |
| 15 | CGS-CIMB SECURITIES (SINGAPORE) PTE LTD | 16,100,000 | 1.84 |
| 16 | CHUA SOO HUAN LINDA | 13,000,000 | 1.49 |
| 17 | TAN LYE SENG | 12,364,000 | 1.41 |
| 18 | CHUA KHOON WONG | 12,027,000 | 1.37 |
| 19 | LIM TIONG KHENG STEVEN | 11,306,000 | 1.29 |
| 20 | TAN SOH ENG | 11,021,000 | 1.26 |
| | | **617,826,499** | **70.66** |

# 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 #34-08 International Plaza, Singapore 079903 on Friday 16 August 2019 at 2.00 p.m. for the following purposes:

**AS ORDINARY BUSINESS**

1. To receive and adopt the Audited Financial Statements for the financial period ended 31 March 2019 together with the Directors' Statement and the Auditors' Report thereon. **(Resolution 1)**

2. To approve the payment of Directors' fees of S$ 156,250 for the financial period from 1 January 2019 to 31 March 2020, payable quarterly in arrears. (12 months 2018: S$125,000) **(Resolution 2)**

3. To re-elect Mr Tay Wee Kwang, a Director retiring pursuant to Article 91 of the Company's Constitution. [See Explanatory Note (i)] **(Resolution 3)**

4. To re-elect Mr Loh Ji Kin, a Director retiring pursuant to Article 91 of the Company's Constitution. [See Explanatory Note (ii)] **(Resolution 4)**

5. To record the retirement of Mr Geoffrey Ng Ching Fung, a director retiring pursuant to Article 97 of the Company's Constitution, who has decided not to seek for re-election and will retire at the conclusion of the Annul General Meeting. [See Explanatory Note (iii)]

6. To re-appoint Messrs Moore Stephens LLP as Auditors of the Company and to authorise the Directors to fix their remuneration. **(Resolution 5)**

**AS SPECIAL BUSINESS**

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

7. **AUTHORITY TO ALLOT AND ISSUE SHARES**

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 6)**

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

By Order of the Board

Tay Wee Kwang
Executive Director and Chief Executive Officer

Singapore, 1 August 2019

**Explanatory Notes:**

(i) Resolution 3 – Mr Tay Wee Kwang ("Mr Tay") will, upon re-election, remain as the Executive Director and Chief Executive Officer of the Company. Detailed information on Mr Tay can be found under sections "Board of Directors" and "Corporate Governance Report" in the Company's FY2019 Annual Report. Save as disclosed above, there are no relationships (including immediate family relationships) between Mr Tay and the other Directors, the Company or the substantial shareholders.

(ii) Resolution 4 – Mr Loh Ji Kin ("Mr Loh") will, upon re-election, remain as the Chairman of the Nominating Committee and a member of the Audit and Remuneration Committees. Mr Loh is considered independent for the purpose of Rule 704(8) of the Listing Manual of the Singapore Exchange Securities Trading Limited. Detailed information on Mr Loh can be found under sections "Board of Directors" and "Corporate Governance Report" in the Company's FY2019 Annual Report. Save as disclosed above, there are no relationships (including immediate family relationships) between Mr Loh and the other Directors, the Company or the substantial shareholders.

(iii) Mr Geoffrey Ng Ching Fung ("Mr Ng") will retire as an Independent Director of the Company at the conclusion of the AGM. Upon Mr Ng's retirement, he will cease to be the Chairman of the Remuneration Committee and a member of the Audit and Nominating Committees.

(iv) Resolution 6, if passed, will empower the Directors of the Company from the date of the annual general meeting until the date of the next annual general meeting of the Company, or the date by which the next annual general meeting of the Company is required by law to be held or such authority is varied or revoked by the Company in a general meeting, whichever is the earlier, to allot and issue shares, 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) (as defined in Note 2 below) entitled to attend and vote at the Annual General Meeting is entitled to appoint not more than two (2) proxies to attend and vote in his/her stead. Such proxy need not be a member of the Company and where there are two (2) proxies, the number of shares to be represented by each proxy must be stated.

2. A member who is a Relevant Intermediary entitled to attend and vote at the Annual General Meeting is entitled to appoint more than two (2) proxies to attend and vote in his/her stead, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such Member. Where such Member appoints more than two (2) proxies, the number and class of shares to be represented by each proxy must be stated.

   "Relevant Intermediary" means:

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

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

   (c) the Central Provident Fund Board ("CPF Board") established by the Central Provident Fund Act, Chapter 36 of Singapore, 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 CPF Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.

3. The proxy need not be a member of the Company.

4. If the member is a corporation, the instrument appointing the proxy must be under seal or the hand of an officer or attorney duly authorised.

5. The instrument or form appointing a proxy or proxies, duly executed, must be deposited at the Company's registered office at 8 Robinson Road #03-00 ASO Building Singapore 048544, not less than forty-eight (48) hours before the time appointed for holding the Annual General Meeting.

**PERSONAL DATA PRIVACY:**

By attending the Annual General Meeting and/or any adjournment thereof or submitting 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, 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.

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# BM MOBILITY LTD.

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

## ANNUAL GENERAL MEETING
## PROXY FORM

*(Please see notes overleaf before completing this Form)*

**IMPORTANT:**

1. A relevant intermediary may appoint more than two proxies to attend the Annual General Meeting and vote (please see Note 3).
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.

I/We _____ (Name) _____ (NRIC/Passport No.)

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*

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

or failing him/her*, the Chairman of the Annual General Meeting ("**AGM**"), as my/our* proxy/proxies* to attend and vote for me/us* on my/our* behalf at the AGM of the Company to be held at 10 Anson Road #34-08 International Plaza, Singapore 079903 on Friday 16 August 2019 at 2.00 p.m. and at any adjournment thereof.

I/We* direct my/our* proxy/proxies* to vote for or against the Ordinary Resolutions to be proposed at the AGM as indicated hereunder. If no specific direction as to voting is given, the proxy/proxies* will vote or abstain from voting at his/their discretion.

(Please indicate your vote "For" or "Against" with a tick [✓] within the box provided. Alternatively, please indicate the number of votes "For" or "Against" as appropriate.)

| **No.** | **Ordinary Resolutions** | **For** | **Against** |
|---|---|---|---|
| 1 | To receive and adopt the Audited Financial Statements for the financial period ended to 31 March 2019 together with the Directors' Statement and the Auditors' Report thereon. | | |
| 2 | To approve the payment of Directors' fees of S$ 156,250 for the financial period from 1 January 2019 to 31 March 2020, payable quarterly in arrears. | | |
| 3 | To re-elect Mr Tay Wee Kwang as Director of the Company. | | |
| 4 | To re-elect Mr Loh Ji Kin as Director of the Company. | | |
| 5 | To re-appoint Messrs Moore Stephen LLP as Auditors of the Company and to authorise the Directors to fix their remuneration. | | |
| 6 | Authority to allot and issue shares in the capital of the Company. | | |

Dated this _____ day of _____ 2019

| **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 applicable*

**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 of the Company, 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) (as defined in Note 3 below) entitled to attend and vote at the AGM of the Company is entitled to appoint not more than two (2) proxies to attend and vote on his/her behalf. Where a member appoints two (2) proxies, the member must specify the proportion of shareholdings to be represented by each proxy. If no such proportion or number is specified, the first named proxy shall be treated as representing 100% of the shareholding and any second named proxy as an alternate to the first named.
3. A member of the Company who is a Relevant Intermediary entitled to attend and vote at the AGM of the Company is entitled to appoint more than two (2) proxies to attend and vote in his/her stead, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member appoints more than two (2) proxies, the number and class of shares to be represented by each proxy must be stated.

   "**Relevant Intermediary**" means:

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

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

   (c) the Central Provident Fund Board ("CPF Board") established by the Central Provident Fund Act, Chapter 36 of Singapore, 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 CPF Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.
4. A proxy need not be a member of the Company.
5. The instrument appointing a proxy or proxies must be deposited at the Company's registered office at 8 Robinson Road #03-00 ASO Building Singapore 048544, not less than forty-eight (48) hours before the time set for the AGM of the Company.

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AFFIX
STAMP

**BM MOBILITY LTD.**
C/O B.A.C.S. PRIVATE LIMITED
8 ROBINSON ROAD
#03-00 ASO BUILDING
SINGAPORE 048544

*2nd fold here*

6. The instrument appointing a proxy or proxies must be signed by the appointor or his attorney duly authorised 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 authorised.
7. Where an instrument appointing a proxy or proxies is signed on behalf of the appointor by an attorney, the power of attorney (or other authority) or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the instrument of proxy, failing which the instrument may be treated as invalid.
8. A corporation which is a member may authorise by resolution of its Directors or other governing body such person as it thinks fit to act as its representative at the AGM of the Company, in accordance with Section 179 of the Companies Act, Chapter 50 of Singapore.
9. The Company shall be entitled to reject an instrument of proxy if it is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified on the instrument of proxy. In addition, in the case of shares entered in the Depository Register, the Company may reject an instrument of proxy 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 AGM of the Company, as certified by The Central Depository (Pte) Limited to the Company.

**Personal Data Privacy**: By attending the AGM of the Company and/or any adjournment thereof or submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the AGM of the Company 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 AGM of the Company (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM of the Company (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