



C&G ENVIRONMENTAL PROTECTION HOLDINGS LIMITED

(Incorporated in Bermuda on 24 September 2004)

(Company Registration No. 35842)

ANNUAL REPORT 2018

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CORPORATE PROFILE

On 30 December 2016, C&G Environmental Protection Holdings Limited (“the Company”) completed the disposal of its principal operating subsidiaries, C&G Environmental Protection (Thailand) Company Limited (“CGEPT”) and C&G Environmental Protection International Limited (“CGEPIL”) (the “Disposal”). Following the completion of the Disposal, the Company became a cash company under Rule 1018 of the Listing Manual. The Company does not have any subsidiary since 30 December 2016.

The Company announced on 5 June 2018 that it had entered into a conditional sale and purchase agreement (“SPA”) dated 31 May 2018 with Param Mitra Coal Resources Pte. Limited (“Vendor”) to acquire (i) the entire issued and paid-up share capital of Param Mitra Coal Resources One Pte. Limited, Param Mitra Coal Resources Two Pte. Limited, Dragon Power Investments Limited and Unity Holding Business Singapore Pte. Ltd. (“PMCR Target Companies”); and where applicable, the Target Company Additional Shares where PMCR Target Companies and their subsidiaries (“PMCR Target Group”) undertakes fund-raising activity pursuant to which the investor shall be allotted and issued shares in the PMCR Target Group and (ii) the shareholder loans and advances outstanding as at completion of the Proposed Transaction (“Proposed Acquisition”). The Company is currently working through the requisite steps to ensure that the due diligence is adhered to and effectively executed to enable completion of this Proposed Acquisition.

On 8 February 2019, SGX-ST granted the Company an extension of time to 31 March 2019 to complete and circulate the Joint Ore Reserve Committee (“JORC”) Report and Valuation Report to Initial Public Offering (“IPO”) professionals, to 30 June 2019 to submit Section (A) of the Listing Admissions Packs to SGX-ST and 31 October 2019 to complete the Proposed Transaction pursuant to Rule 1018(2) of the Listing Manual.

Subject to further due diligence by the Vendor and the Company and the approval of SGX-ST, shareholders should note that there is no assurance that the Parties will be able to complete the Proposed Acquisition by 31 October 2019.

CHAIRMAN'S STATEMENT

Dear Valued Shareholders,

On behalf of the Board of Directors ("Board"), I am pleased to present of C&G Environmental Protection Holdings Limited's (the "Company"), the annual report for the financial year ended 31 December 2018 ("FY2018").

2018 HIGHLIGHTS

Following the disposal of its subsidiaries on 30 December 2016, the Company is deemed to be a cash company and there was no revenue recognised in FY2018. The Company recorded administrative expenses of HK\$2.1 million in FY2018 for the daily working capital. The assets of the Company comprise principally of cash and bank balances of HK\$0.05 million. On the other hand, current liabilities comprise mainly accrued operating expenses and advanced from the holding company.

PROPOSED ACQUISITION

The Company announced on 5 June 2018 that it had entered into a conditional sale and purchase agreement ("SPA") dated 31 May 2018 with Param Mitra Coal Resources Pte. Limited ("Vendor") to acquire (i) the entire issued and paid-up share capital of Param Mitra Coal Resources One Pte. Limited, Param Mitra Coal Resources Two Pte. Limited, Dragon Power Investments Limited and Unity Holding Business Singapore Pte. Ltd. ("PMCR Target Companies"); and where applicable, the Target Company Additional Shares where PMCR Target Companies and their subsidiaries ("PMCR Target Group") undertakes fund-raising activity pursuant to which the investor shall be allotted and issued shares in the PMCR Target Group and (ii) the shareholder loans and advances outstanding as at completion of the Proposed Transaction ("Proposed Acquisition"). Due diligence on the Proposed Acquisition are still underway and we hope to be able to present you with all the relevant information in due course.

The Proposed Acquisition, if it proceeds to completion, is expected to result in a Reverse Takeover of the Company, subject to the approval of the SGX-ST and the approval of the shareholders of the Company at an Extraordinary General Meeting to be convened.

On 8 February 2019, the Company has been further granted by SGX-ST an extension of time to 31 March 2019 to complete and circulate the JORC Report and Valuation Report to Initial Public Offerings professionals; to 30 June 2019 to submit Section (A) of the Listing Admissions Pack to SGX-ST; and to 31 October 2019 to complete the Proposed Transaction pursuant to Rule 1018(2) of the Listing Manual. The Company will provide updates to the SGX-ST and the shareholders of the Company via announcements to be released on the SGXNET on material developments to the Proposed Acquisition.

CHAIRMAN'S STATEMENT

IN APPRECIATION

I would like to take this opportunity to thank my fellow Board members for their committed contributions, support and services to the Company. My sincere thanks is also extended to the former Board member, Mr. Ng Li Yong who has resigned on 7 March 2019 for his contribution to the Company. On behalf of the Board, I would like to express my gratitude and appreciation to our valued shareholders and business associates for your unwavering support to the Company through this period of transition.

Yours sincerely,

Mr. Lam Chik Tsan

Executive Chairman and Chief Executive Officer

2 April 2019

BOARD OF DIRECTORS

Lam Chik Tsan, 44

Executive Chairman and Chief Executive Officer
Graduated from Shishi Hanjiang Secondary School in 1990
Member of National Committee of the Chinese People's Political Consultative Conference

Date of first appointment as director: 25 September 2015
Date of last re-election as director: 25 April 2016
Length of service: 3 years 3 months
(as at 31 December 2018)

Present directorship in other listed companies

Nil

Present principal commitments (other than directorships in other listed companies)

Executive Director of C&G Holdings (Hong Kong) Limited
Executive Director of Xiamen C&G Group Company Limited

Directorships in other listed companies held over the preceding three years

Nil

Background

Mr. Lam Chik Tsan is the founder of C&G Environmental Protection Holdings Limited (Formerly known as CG Technologies Holdings Limited). Prior to founding our Group, Mr. Lam worked in Shishi Hanjing Liandai Hualian Knitting Factory as an apprentice from August 1990 to August 1991. From August 1991 to December 1996, Mr. Lam held various position in Shishi Hanjian Knitting Co., Ltd., a company owned by his father, rising through the ranks from technician to marketing manager and subsequently assistant general manager.

In January 1997, Mr. Lam founded Xiamen Xianggu Xingangcheng Import Export Co., Ltd where he was the director in charge of the company's yarn and chemical fibre import and export business. In October 1998, Mr. Lam found Xiamen C&G Group Co. Ltd., an investment holding company. In 2000, Mr. Lam founded the Group by establishing Longyan Chemical Fiber.

Mr. Lam has rich management experience and strong business network. Mr. Lam is currently a member of National Committee of the Chinese People's Political Consultative Conference.

BOARD OF DIRECTORS

Tam Sau Fung, 40

Executive Director and Deputy Chief Executive Officer
Graduated from Hong Kong Polytechnic University in 2001
Member of the Hong Kong Institute of Certified Public Accountants
Date of first appointment as director: 22 May 2015
Date of last re-election as director: 25 April 2018
Length of service: 3 years 7 months
(as at 31 December 2018)

Served on the following Board Committees

- Audit Committee – Member
- Nominating Committee – Member
- Remuneration Committee – Member

Present directorship in other listed companies

Nil

Present principal commitments (other than directorships in other listed companies)

Nil

Directorships in other listed companies held over the preceding three years

Nil

Background

Tam Sau Fung joined the Group in August 2010 as the Group Financial Controller. In May 2015, Ms Tam was appointed as the Executive Director and Group Deputy Chief Executive Officer to monitor the Group's management and accounting function.

Prior to joining the Group, she was the Financial Controller of China New Town Development Company Limited, a company dually listed on the main board of The Stock Exchange Securities Trading Limited and The Stock Exchange of Hong Kong Limited from 2008 to 2010.

Ms. Tam also worked as an auditor from international accounting firm, PricewaterhouseCoopers, in Hong Kong for seven years.

BOARD OF DIRECTORS

Leow Yong Kin, 48

Non-Executive and Independent Director

Honours Degree in BA Accounting, University of Lincolnshire & Humberside

Chartered Accountant, Institute of Singapore Chartered Accountants

Chartered Accountant, Association of Chartered Certified Accountants

Date of first appointment: 2 April 2019

Date of last re-election as director: N/A

Length of service: N/A

(as at 31 December 2018)

Served on the following Board Committee

- Audit Committee – Chairman
- Nominating Committee – Chairman
- Remuneration Committee – Chairman

Present directorship in other listed companies

Non-Executive Lead Independent Director of Raffles Infrastructure Holdings Limited

Non-Executive Independent Director of China Sports International Ltd

Present principal commitments (other than directorships in other listed companies)

Director of AccountsPro Consulting Services Pte Ltd.

Directorship in other listed companies held over the preceding three years

China Taisan Technology Group Holdings Limited

China Star Food Group Limited

Background

Leow Yong Kin has more than two decades of experience in the fields of finance and accounting, including working experience with American and Japanese multi-national companies. He was previously the Senior Accounts Manager of Five Stars Tours Pte Ltd from year 2009 to year 2011 and the Chief Financial Officer of China Great Land Holdings Ltd. from July 2014 to March 2017. He is currently a Director of AccountsPro Consulting Services Pte Ltd which provides enterprise solutions such as accounting, payroll and HRM software.

CORPORATE INFORMATION

Board of Directors

Mr. Lam Chik Tsan

(Executive Chairman and Chief Executive Officer)

Ms. Tam Sau Fung

(Executive Director and Deputy Chief Executive Officer)

Mr. Leow Yong Kin

(Non-Executive and Independent Director)

Company Secretary

Mr. Lee Wei Hsiung, ACIS

Assistant Company Secretary

Codan Services Limited

Registered Office

Clarendon House

2 Church Street, Hamilton HM 11

Bermuda

Registration Number: 35842

Head Office and Principal Place of Business

Office F 23/F

MG Tower

133 Hoi Bun Road

Kwun Tong

Kowloon

Hong Kong

<http://www.cg-ep.com/>

Singapore Share Transfer Agent

Tricor Barbinder Share Registration Services

(a division of Tricor Singapore Pte. Ltd.)

80 Robinson Road, #02-00

Singapore 068898

CORPORATE INFORMATION

Bermuda Share Registrar

Codan Services Limited
Clarendon House
2 Church Street, Hamilton HM 11
Bermuda

Principal Bankers

Bank of China (Hong Kong) Limited

Independent Auditors

Mazars LLP
Public Accountants and Chartered Accountants
135 Cecil Street
#10-01 MYP Plaza
Singapore 069536
Partner-in-charge:
Mr. Tan Chee Tyan
With effect from financial year ended
31 December 2014

Investor Relations

Ms Tam Sau Fung
Executive Director and Deputy Chief Executive Officer
Office F 23/F
MG Tower
133 Hoi Bun Road
Kwun Tong
Kowloon
Hong Kong
T: (852) 2219 8555

CORPORATE GOVERNANCE REPORT

CORPORATE GOVERNANCE

C&G Environmental Protection Limited (the “Company”) recognizes the importance of good corporate governance and the offering of high standards of accountability to shareholders.

This statement sets out the Company’s corporate governance framework and practices in compliance with the principles and guidelines of the Code of Corporate Governance 2012 (the “Code”). Where there have been deviations from the Code, appropriate explanations are provided. The Company will continue to assess its need in its current capacity as a cash company and implement appropriate measures accordingly, to ensure compliance with the Listing Manual of the Singapore Exchange Securities Trading Limited (“SGX-ST”).

A. BOARD MATTERS

Principle 1: Board’s Conduct of its Affairs

The Board has the responsibility for the overall management of the Company. It establishes the corporate strategies of the Company, sets direction and goals for the executive management. It supervises the executive management and monitors performance of these goals to enhance shareholders’ value. The Board is responsible for the overall corporate governance of the Company.

The Board has identified a number of areas for which the Board has direct responsibility for decision-making. Interested Persons Transactions and the Company’s internal control procedures are also reviewed by the Board. Major investments and funding decisions are approved by the Board.

The Board also meets to consider the following corporate matters:

- Approval of quarterly and year end result announcements;
- Approval of the Annual Reports and Accounts;
- Convening of Shareholder’s Meetings;
- Approval of Corporate Strategies; and
- Material Acquisitions and disposal of assets.

CORPORATE GOVERNANCE REPORT

To facilitate effective management, certain functions of the Board have been delegated to various Board Committees, namely Audit, Nominating and Remuneration Committees. These committees function within clearly defined terms of references and operating procedures, which are reviewed on a regular basis. The effectiveness of each committee is also constantly reviewed by the Board.

The Board conducts regular scheduled meetings on a quarterly basis and as when necessary to address any specific significant matters that may arise. To ensure meetings are held regularly with maximum director participation, the Company's Bye-laws allow for the telephone and video-conferencing meetings.

Below is the attendance of the Directors at meetings of the Board and its committees in 2018:

	Board	Audit Committee	Nominating Committee	Remuneration Committee
No. of meetings held	4	4	1	1
No. of meetings attended				
Lam Chik Tsan	4	NA	NA	NA
Tam Sau Fung	4	4	1	1
Ng Li Yong [^]	4	4	1	1
Leow Yong Kin [#]	0	0	0	0

NA Not a member

[^] Resigned as the Non-Executive Independent Director and ceased to be the Chairman of the Remuneration Committee and a member of the Audit Committee and Nominating Committee on 7 March 2019

[#] Appointed as the Chairman of the Audit Committee, Nominating Committee and Remuneration Committee on 2 April 2019

Directors are provided with continuing education in areas such as changes in financial reporting standards, corporate governance, as well as receive regular updates on relevant new laws and regulations, and evolving commercial risks and business conditions from the Company's relevant advisors. New directors, upon appointment, will be provided with a formal letter setting out the Directors' duties and responsibilities. They will undergo a comprehensive orientation programme including management presentations on the businesses, strategic plans and objectives of the Company. Directors also have the opportunity to visit the Company's operational facilities and meet with the Management to gain a better understanding of the Company's business operation.

Principle 2: Board Composition and Balance

The Board of Directors comprises 3 directors, one of whom is an independent director. The Directors of the Company as at the date of this statement are:

- (i) Mr Lam Chik Tsan (Executive Chairman and Chief Executive Officer)
- (ii) Ms Tam Sau Fung (Executive Director and Deputy Chief Executive Officer)
- (iii) Mr Leow Yong Kin (Non-Executive and Independent Director)

The Board, after taking into account that the Company ceased to have any operating business following completion of the Disposal and had since become a cash company under Rule 1018 of the SGX-ST Listing Manual, is satisfied that its current size is adequate and appropriate for effective decision making. Nevertheless, the Company will undertake the necessary board changes as soon as practicable. As a team, the Board collectively provides core competencies in the areas of legal, accounting, finance, business and management experience.

Key information regarding the Directors is given in “Board of Directors” on page 5.

There is no alternate director on the Board.

Principle 3: Chairman and Chief Executive Officer

Mr Lam Chik Tsan is the Executive Chairman and Chief Executive Officer. Although the roles of the Chairman and Chief Executive Officer are not separated, the Audit Committee (“AC”), Remuneration Committee (“RC”) and Nominating Committee (“NC”) are chaired by independent director. The performance and remuneration of the Executive Chairman and Chief Executive Officer are reviewed periodically by the NC and RC. Mr Leow Yong Kin is the Independent Director of the Company and is available to shareholders should they have concerns which cannot be resolved through the normal channel of the Chairman or for which such contact was inappropriate. As such, the Board believes that there are adequate safeguards and checks in place to ensure that the process of decision-making by the Board is independent and based on collective decision-making without Mr Lam Chik Tsan being able to exercise considerable concentration of power or influence. The Board will seek to make changes to its composition such that independent directors make up at least half of the Board as soon as practicable.

CORPORATE GOVERNANCE REPORT

As the Executive Chairman and Chief Executive Officer, Mr Lam Chik Tsan has full responsibilities over the business directions and operational decisions of the Group and is also responsible for the effective workings of the Board, ensuring the integrity and effectiveness of its governance process.

Principle 4: Board Membership

Nominating Committee

The Nominating Committee (“NC”) currently comprises two members, chaired by the Independent Director. The members of the NC are:

- Mr Leow Yong Kin (Chairman)
Non-Executive and Independent Director
- Ms Tam Sau Fung
Executive Director and Deputy Chief Executive Officer

In view that the Company is currently a cash company and the NC performs minimal functions, the Board is of the view that the Company, in its current capacity as a cash company, does not warrant having to appoint additional non-executive director to fill the vacancy in the NC. Nevertheless, the Board will continue to assess the need for such appointment on a periodic basis.

The NC’s principal functions are as follows:

- (a) recommend to the Board on all board appointments and re-appointments;
- (b) determine independence of the Directors annually, and as and when circumstances require;
- (c) determine whether or not a Director is able to and has been adequately carrying out his duties as Director of the Company;
- (d) evaluate the performance and effectiveness of the Board as a whole;
- (e) review of training and professional development programs for the Board; and
- (f) review of Board succession plans.

CORPORATE GOVERNANCE REPORT

The NC reviews the independence of each director annually. Each independent director is required to complete a Director's Independence Form annually to confirm his independence based on the guidelines as set out in the Code. The directors must also confirm whether they consider themselves independent despite not having any relationship identified in the Code. The NC and the Board consider Mr Leow Yong Kin to be an Independent Director.

There is currently no Director who has served on the Board beyond nine (9) years from the date of appointment.

With respect to the appointment of any new Director to the Board, candidates are identified through various sources and the NC reviews the expertise and experience of the candidates, interviews the short-listed candidates and recommends the most suitable candidate(s) to the Board for approval.

The Bye-laws of the Company require that any director appointed by the Board shall retire at the next annual general meeting of the Company. Accordingly, the Directors submit themselves for re-nomination and re-election at regular intervals of at least once every 3 years.

Mr Leow Yong Kin and Mr Lam Chik Tsan are retiring as Directors at the forthcoming annual general meeting of the Company pursuant to the Bye-laws of the Company. The NC and the Board had nominated Mr Leow Yong Kin and Mr Lam Chik Tsan be recommended for re-election as Directors.

In making the recommendation, the NC has considered the directors' overall contributions and performance. The Board recommends the shareholders to approve the re-election of the aforesaid directors. The details of the proposed resolutions are stipulated in the Notice of AGM.

At present, the Board does not intend to set a maximum number of listed company board representations a Director may hold as it is of the view that the effectiveness of a Director should be evaluated by a qualitative assessment of his contributions to the Company's affairs taking into account his other commitments including his directorships in other listed companies. The NC considers that the multiple board representations held presently by some Directors do not impede their respective performance in carrying out their duties to the Company.

Details of the Directors' academic and professional qualifications and directorships or chairmanships both present and those held over the preceding three years in other listed companies and other principal commitments are set out on pages 5 to 7 of this Annual Report.

Information regarding the Directors' shareholdings in the Company and related corporations is set out on page 25 of this Annual Report.

Principle 5: Board Performance

The NC uses objective and appropriate quantitative and qualitative criteria to assess the performance of individual directors, and the Board as a whole. Assessment parameters include the attendance records of the directors at Board or Committee meetings, the level of participation at such meetings, the quality of Board processes and the business performance of the Group. The performance of a Director is taken into account in the review of his re-election.

In view that the Company is currently a cash company and the Board Committees perform minimal functions, the Board, together with the NC, is of the view that an assessment of the Board as a whole and each Director is sufficient and it would not be necessary to conduct an assessment of the Board Committees for FY2018.

The Board as a whole and each individual had met their performance objective in FY2018.

Principle 6: Access to Information

The Board has separate and independent access to senior management and the company secretary at all times. Requests for information from the Board are dealt with promptly by management. 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 Company's performance. The management also consults with Board members regularly whenever necessary and appropriate. The Board is issued with board papers timely and prior to Board meetings.

The Company Secretary attends all board meetings. The Company Secretary administers, attends and prepares minutes of Board meetings, and assists the Chairman in ensuring that Board procedures are followed and reviewed so that the Board functions effectively and the Company's Memorandum of Association and Bye-Laws and the relevant rules and regulations applicable to the Company are complied with. The appointment and removal of the Company Secretary are subject to the Board's approval.

Board members are aware that they, either individually or as a group, in the furtherance of their duties, can take independent professional advice, if necessary, at the Company's expense.

B. REMUNERATION MATTERS

Principle 7: Procedures for Developing Remuneration Policies

The Remuneration Committee (“RC”) currently comprises two members, chaired by the Independent Director. The members of the RC are:

- Mr Leow Yong Kin (Chairman)
Non-Executive and Independent Director
- Ms Tam Sau Fung
Executive Director and Deputy Chief Executive Officer

In view that the Company is currently a cash company and the RC performs minimal functions, the Board is of the view that the Company, in its current capacity as a cash company, does not warrant having to appoint additional non-executive director to fill the vacancy in the RC. Nevertheless, the Board will continue to assess the need for such appointment on a periodic basis.

The functions of the RC are to review and recommend the remuneration packages of the Executive Directors, CEO and key executives of the Company, oversee and review the administration of the Employee Share Option Scheme, Performance Share Plan and Restricted Share Plan, and to review the appropriateness of compensation for Non-Executive Directors including but not limited to Directors’ fees and allowances.

The payment of fees to Non-Executive Directors is subject to approval at the annual general meeting of the Company. No director is involved in deciding his own remuneration.

Principle 8: Level and Mix of Remuneration

In setting the remuneration packages of the Executive Directors, the RC takes into account the respective performances of the Company and the individual. In its deliberation, the RC takes into consideration, remuneration packages and employment conditions within the industry and benchmarked against comparable companies.

Non-Executive Directors are paid a basic fee and an additional fee for serving on any of the committees. The Chairman of each of these committees is compensated for his additional responsibilities. Such fees are approved by the shareholders of the Company at the annual general meeting of the Company.

CORPORATE GOVERNANCE REPORT

Principle 9: Disclosure on Remuneration

The annual remuneration of non-executive Director payable for 2018 is as follows:

Non-Executive Director	Position Held	Director's Fee
Mr Ng Li Yong ^	Board member, RC Chairman, AC member and NC member	S\$50,000

^ Resigned as the Non-Executive Independent Director and ceased to be the Chairman of the Remuneration Committee and a member of the Audit Committee and Nominating Committee on 7 March 2019

In view of the competitive pressures in the talent market, the remuneration paid to the CEO and Executive Director is not fully disclosed. In 2018, the level of mix of the annual remuneration of the CEO and Executive Director in bands of S\$250,000, are set out below:

Name	Remuneration		Fringe		Total
	Band	Salary	Bonus	Benefits	
	S\$	%	%	%	%
Executive Directors					
Lam Chik Tsan (CEO)	Below S\$250,000	100%	–	–	100%
Tam Sau Fung	Below S\$250,000	100%	–	–	100%

There were no key executive (who are not directors or the CEO) during the year under review, given that the Company is a cash company with no operating business.

The Company does not have any employee who is an immediate family member of a Director or CEO whose remuneration exceeds S\$50,000 during the year.

The C&G Environmental Protection Holdings Employee Share Option Scheme, Performance Share Plan and Restricted Share Plan (collectively known as the “Scheme”) were implemented on 24 April 2013 primarily to reward and retain Executive Directors, Non-Executive Directors and employees whose services are vital to the Group’s success. It is administered by the RC. Details of the Scheme are set out in the Directors’ Report on page 25.

CORPORATE GOVERNANCE REPORT

The RC is of the view that it is currently not necessary to use contractual provisions to allow the Company to reclaim incentive components of remuneration from the executive directors and key management personnel in exceptional circumstances of misstatement of financial statements or of misconduct resulting in financial loss to the Company. Notwithstanding, this does not preclude the Company's right to reclaim in exceptional circumstances of misstatement of financial results or of misconduct resulting in financial loss to the Company.

C. ACCOUNTABILITY AND AUDIT

Principle 10: Accountability

In presenting the annual financial statements and quarterly announcements to shareholders, it is the aim of the Board to provide the shareholders with a balanced and understandable assessment of the Company's performance, position and prospects.

The Management currently provides the Board with a continual flow of relevant information on a timely basis so that it may effectively discharge its duties. The Board members are also provided with up-to-date financial reports and other information on the Company's performance for effective monitoring and decision making.

During FY2018, the Company has provided monthly valuation of its assets and utilisation of cash pursuant to Rule 1018(1)(b) of the Listing Manual of the SGX-ST.

Principle 11: Risk Management and Internal Controls

The Board recognises that no internal control system will preclude all errors and irregularities. The system is designed to manage rather than to eliminate the risk of failure to achieve business objectives. The controls are to provide reasonable, but not absolute, assurance to safeguard shareholders' investments and the Company's assets. The Board regularly reviews the effectiveness of all internal controls, including financial, operational, compliance and information technology controls, and risk management system.

Based on the internal controls established and maintained by the Company, work performed by the external auditors and reviews performed by Management and the Board Committees, the Board, with the concurrence of the Audit Committee, is of the opinion that the Group's internal controls and risk management systems, addressing financial, operational, compliance and information technology risks, were adequate as at 31 December 2018 within the current scope of the Company's business operations.

The Company has also adopted an enterprise risk management framework to enhance its risk management capabilities.

CORPORATE GOVERNANCE REPORT

The Company regularly reviews and improves its business and operational activities to identify areas of significant business risks as well as take appropriate measures to control and mitigate these risks. The Company reviews all significant control policies and procedures and highlights all significant matters to the AC and Board.

The Board receives assurance from the Chief Executive Officer and the Deputy Chief Executive Officer that:

- (1) the financial records have been properly maintained;
- (2) the financial statements give a true and fair view of the Company's operations and finances; and
- (3) an effective risk management and internal control systems have been put in place.

Principle 12: Audit Committee

The Audit Committee ("AC") currently comprises two members, chaired by the Independent Director. The members of the AC are:

- Mr Leow Yong Kin
Non-Executive and Independent Director
- Ms Tam Sau Fung
Executive Director and Deputy Chief Executive Officer

In view that the Company is currently a cash company and the AC performs minimal functions, the Board is of the view that the Company, in its current capacity as a cash company, does not warrant having to appoint additional non-executive director to fill the vacancy in the AC. Nevertheless, the Board will continue to assess the need for such appointment on a periodic basis.

The functions of the AC are as follows:

- (a) review with the internal and external auditors of the Company, their audit plan, evaluation of the internal accounting controls, audit report and ensures co-operation is given by the Company's management to the internal and external auditors;
- (b) review the interim and annual financial statements and the Auditors' report on the Company's annual financial statements before they are presented to the Board;

CORPORATE GOVERNANCE REPORT

- (c) review with the management, external and internal auditors the adequacy and effectiveness of the company's internal controls, business and service systems and practices;
- (d) review related and interested party transactions;
- (e) consider the appointment and re-appointment of the external auditors; and
- (f) approve the hiring, removal, evaluation and compensation of the internal audit function.

The AC has the power to conduct or authorize investigations into any matters within the AC's scope of responsibility. The AC is authorized to obtain independent professional advice if it deems necessary in the discharge of its responsibilities. Such expenses are to be borne by the Company.

The AC is kept abreast by the Management and the external auditors of changes to accounting standards, Listing Rules of the SGX-ST and other regulations which could have an impact on the Group's business and financial statements.

The AC has full access to and co-operation of the Company's management and has full discretion to invite any director or executive officer to attend the meetings, and has been given reasonable resources to enable it to discharge its functions. The AC meets with the external and internal auditors, without the presence of the management at least once a year. Ad-hoc meetings may be carried out from time to time, as circumstances require.

The aggregate amount of fees paid to the external auditors amounted to approximately HK\$183,000 for audit services. The external auditors did not provide any non-audit services for the financial year ended 31 December 2018.

In appointing the audit firm for the Group, the Company has complied with Rules 712 and 715 of the Listing Manual of the SGX-ST.

The Company has in place a whistle-blowing policy which provides well-defined and accessible channels in the Group through which employees may, in confidence, raise concerns about possible corporate improprieties in matters of financial reporting or other matters within the Group.

Principle 13: Internal Audit

As the Company is currently a cash company and does not have any operating business following the completion of the disposal, the AC is of the view that the Company, in its current capacity as a cash company, does not warrant having an in-house internal audit function or to outsource its internal audit function. Nonetheless, the Company has in place a system of risk management and internal controls which have been endorsed by the AC and approved by the Board. Management and the Board will review the adequacy and integrity of the Company's internal controls systems and report directly to the AC on any material non-compliance and internal control weakness, and will recommend improvements, where necessary. The AC will oversee and monitor the implementation of any improvements thereto.

The Board is of the view that the present level of internal control is appropriate for a cash company. The Board will continue to review such internal control systems at least on an annual basis. The AC and Board will also continue to assess the need for a separate internal audit function on a periodic basis.

D. COMMUNICATIONS WITH SHAREHOLDERS

Principle 14: Shareholder Rights

Principle 15: Communications with Shareholders

Principle 16: Conduct of Shareholder Meetings

In line with continuous obligations of the Company pursuant to the Singapore Exchange's Listing Rules, the Board's policy is that all shareholders should be equally informed of all major developments impacting the Group.

Information is disseminated to shareholders on a timely basis through:

- SGXNET announcements and news release
- Annual Report prepared and issued to all shareholders

The Company does not practise selective disclosure, and is mindful of the remedial action required to make public disclosure as soon as practicable, should there be an event of inadvertent disclosure.

CORPORATE GOVERNANCE REPORT

At the Company's annual general meetings, shareholders are given the opportunity to voice their views and ask Directors or Management questions regarding the Company. If shareholders are unable to attend the meeting, the Company's Bye-laws allow a shareholder of the Company to appoint up to two proxies to attend and vote in place of the shareholder. The Company is not implementing absentia voting methods such as voting via mail, facsimile or email until security, integrity and other pertinent issues are satisfactory resolved.

Separate resolutions on each distinct issue are proposed at general meetings for approval. All resolutions were put to vote by poll at the last Annual General Meeting held on 25 April 2018. Minutes of general meetings which include substantial and relevant comments or queries from shareholders relating to the agenda of the meeting, and responses from the Board and Management, were prepared and made available to shareholders upon request.

The Board members and chairpersons of the Audit, Remuneration and Nominating Committees are present and available to address shareholders' questions at general meetings. The external auditors are also present to address shareholders' queries about the conduct of audit and the preparation and content of the auditors' report.

The Company has previously established a formal dividend policy in March 2011 to distribute at least 20% of the Group's operating net profit (excluding all the one-off items, if any) as dividend for the next three financial years commencing from financial year ended 31 December 2011, as determined by the Board, and subject to:

- the requirements of the Bermuda Companies Act and shareholders' approval;
- any banking or other funding covenants by which the Company is bound from time to time; and
- the investment and operating requirements of the Company.

The Board would consider a new dividend policy according to its financial and business development requirements at an appropriate time.

No final dividend was declared for the financial year ended 31 December 2018 considering that the Company is presently a cash company with no operating business.

CORPORATE GOVERNANCE REPORT

E. DEALING IN SECURITIES

In compliance with Rule 1207(19) of the Listing Manual of the SGX-ST, the Group issues quarterly reminders to its Directors, officers and employees on the restrictions in dealing in the Company's securities during the period commencing (i) two weeks prior to the announcement of financial results of each of the first three quarters of the financial year, and (ii) one month before the announcement of full year results, and ending on the date of such announcements.

Directors, officers and employees are also reminded not to trade in the Company's securities at any time while in possession of unpublished price sensitive information and to refrain from dealing in the Company's securities on short-term considerations.

F. MATERIAL CONTRACTS

There was no material contracts entered into by the Company or any of its subsidiaries involving the interest of the CEO, any Director, or controlling shareholder.

G. INTERESTED PERSONS TRANSACTIONS

The Company has established procedures to ensure that all transactions with interested persons are reported in a timely manner to the AC and those transactions are conducted on an arm's length basis and are not prejudicial to the interests of the shareholders.

There are no interested person transactions between the Company or its subsidiaries and any of its interested persons subsisting at the end of the financial year ended 31 December 2018.

DIRECTORS' STATEMENT

The directors of the Company are pleased to submit this statement to the members together with the audited financial statements of the Company for the financial year ended 31 December 2018.

1. Opinion of the directors

In the opinion of the directors,

- i) the financial statements of the Company are drawn up so as to give a true and fair view of the financial position of the Company as at 31 December 2018 and the financial performance, changes in equity and cash flows of the Company for the financial year ended on that date; and
- ii) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

2. Directors

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

Executive Directors

Lam Chik Tsan (*Executive Chairman & Chief Executive Officer*)

Tam Sau Fung (*Executive Director & Deputy Chief Executive Officer*)

Non-Executive and Independent Director

Leow Yong Kin (*Non-Executive and Independent Director*)

3. Arrangements to enable directors to acquire shares and debentures

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose objects were, or one of whose objects was to enable 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, except as disclosed in paragraphs 4 and 5 below.

DIRECTORS' STATEMENT

4. Directors' interests in shares or debentures

The following directors, who held office at the end of the financial year, had, according to the register of directors shareholdings, an interest in the share capital of the Company as stated below:

Name of directors and respective company in which interest are held	Direct interests		Deemed interests	
	At 1.1.2018	At 31.12.2018	At 1.1.2018	At 31.12.2018
The Company No. of ordinary shares of HK\$0.10 each				
Lam Chik Tsan	–	–	774,537,355	774,537,355
Tam Sau Fung	798,000	798,000	–	–

The directors' interests as at 21 January 2019 were the same as those at 31 December 2018.

5. Share options

On 24 April 2013, the shareholders of the Company approved and adopted an Employee Share Option Scheme (the "CG ESOS"), a Performance Share Plan (the "CG PSP") and a Restricted Share Plan (the "CG RSP"). The CG ESOS, CG PSP and CG RSP will provide eligible participants, such as the executive directors and employees of the Company who are not controlling shareholders or their associates, with an opportunity to participate in the equity of the Company. The aggregate number of new shares over which options may be granted under the CG ESOS, the aggregate number of new shares to be issued under the CG PSP and the CG RSP, on any date shall not exceed 10% of the total number of issued shares of the Company (excluding Treasury Shares, if any) on the day preceding the date of the relevant grant. The number of options and number of shares to be granted to the eligible participants, exercise price, exercise period and the timing of such grant are to be determined at the absolute discretion of the Remuneration Committee.

The CG ESOS, CG PSP and CG RSP are administered by the Remuneration Committee whose members are:

Leow Yong Kin
Tam Sau Fung

A member of the Remuneration Committee who is also a participant of the CG ESOS, CG PSP and CG RSP must not be involved in its deliberation in respect of the options and shares granted or to be granted to him.

During the financial years ended 31 December 2018 and 2017, the Company did not grant any share options under CG ESOS, CG PSP and CG RSP.

During the financial year ended 31 December 2018, the Company forfeited Nil shares (2017: Nil shares) under CG RSP.

DIRECTORS' STATEMENT

5. Share options (Continued)

Details of shares granted to CG RSP participants, who received shares pursuant to the vesting of awards granted under the CG RSP which, in aggregate, represent 5% or more of (1) the total number of new shares available under the CG RSP and (2) the total number of existing shares purchased for delivery of awards released under the CG RSP during the financial year ended 31 December 2018 are as follows:

Name of CG RSP participant	Aggregate number of shares comprised in awards granted during the financial year under review ('000)	Aggregate number of shares comprised in awards granted since the commencement of the CG RSP to the end of the financial year under review ('000)	Aggregate number of shares comprised in awards granted which have exercised/ forfeited during the financial year under review and in respect of such awards, the proportion of shares issued or transferred upon the release of the vested awards ('000)	Aggregate number of shares comprised in awards granted which have not been released as at the end of the financial year under review ('000)
Tam Sau Fung	200	200	-	200

Non-executive directors, controlling shareholders of the Company and their associates are not eligible to participate in the CG ESOS, CG PSP and CG RSP. Detailed terms of the CG ESOS, CG PSP and CG RSP have been set out in Note 12 to the financial statements.

6. Audit Committee

The Audit Committee ("AC") comprise of the following directors:

Leow Yong Kin
Tam Sau Fung

The AC performs the functions specified in the Listing Manual of the SGX-ST and the Code of Corporate Governance. The functions performed are as follows:

- (a) Review with the internal and external auditors of the Company, their audit plan, evaluation of the internal accounting controls (applicable for internal auditors), audit report and ensures co-operation is given by the Company's management to the internal and external auditors;
- (b) Review the interim and annual financial statements and the Auditors' report on the Company's annual financial statements before they are presented to the Board;
- (c) Review with the management and the internal auditors the adequacy and effectiveness of the Company's internal controls, business and service systems and practices;

DIRECTORS' STATEMENT

6. Audit Committee (Continued)

- (d) Review related and interested party transactions;
- (e) Consider the appointment and re-appointment of the external auditors; and
- (f) Approve the hiring, removal, evaluation and compensation of the internal audit function.

The AC has the power to conduct or authorise investigations into any matters within the AC's scope of responsibility. The AC is authorised to obtain independent professional advice if it deems necessary in the discharge of its responsibilities. Such expenses are to be borne by the Company.

The AC is kept abreast by the management and the external auditors of changes to accounting standards, Listing Rules of the SGX-ST and other regulations which could have an impact on the Company's business and financial statements.

The AC has full access to and co-operation of the Company's management and has full discretion to invite any director or executive office to attend the meetings and has been given reasonable resources to enable it to discharge its functions. The AC meets with the external and internal auditors, without the presence of the management at least once a year. Ad-hoc meetings may be carried out from time to time, as circumstances require.

The Company has in place a whistle-blowing policy which provides well-defined and accessible channels in the Group through which employees may, in confidence, raise concerns about possible corporate improprieties in matters of financial reporting or other matters within the Company.

7. Auditors

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

By the Board of Directors

Lam Chik Tsan
*Executive Chairman &
Chief Executive Officer*

Tam Sau Fung
*Executive Director &
Deputy Chief Executive Officer*

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
C&G ENVIRONMENTAL PROTECTION HOLDINGS LIMITED**

REPORT ON THE AUDIT OF FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of C&G Environmental Protection Holdings Limited (the "Company") which comprise the statement of financial position of the Company as at 31 December 2018, and the statements of profit or loss and other comprehensive income, changes in equity and cash flows of the Company for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies from pages 34 to 73.

In our opinion, the accompanying financial statements are properly drawn up in accordance with the International Financial Reporting Standards ("IFRSs") so as to give a true and fair view of the financial position of the Company as at 31 December 2018 and of the financial performance, changes in equity and cash flows of the Company for the year ended on that date.

Basis of Opinion

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

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF C&G ENVIRONMENTAL PROTECTION HOLDINGS LIMITED

Material Uncertainty Related to Going Concern

As at 31 December 2018, consequent to the disposal of all operating subsidiaries in the previous financial years, the Company remains as a cash company without any operations. As of 31 December 2018, the Company was in a net current liabilities and capital deficiency position of HKD1,870,867. The Company's continuing operations also incurred a net loss and net operating cash outflow of HKD2,136,448 and HKD1,627,673 for the financial year then ended 31 December 2018. In accordance to ISA 570 Going Concern, these are conditions that indicate the existence of a material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern.

The ability of the Company to continue as a going concern is dependent on:

- i) the successful completion of the proposed reverse takeover (Note 19);
- ii) the generation of positive cash flows subsequent to the completion of the proposed reverse takeover; and
- iii) continued financial support from the ultimate holding company.

If the Company was unable to continue in operational existence resulting from their inability to fulfil the conditions above, the Company may be unable to discharge their liabilities in the normal course of business and adjustments may be required 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 currently recorded in the statement of financial position. No such adjustments have been made to the financial statements.

Overview

Audit Approach

We designed a risk-based audit approach in identifying and assessing the risks of material misstatement at both the financial statement and assertion levels.

Materiality

As in all our audits, we exercised our professional judgment in determining our materiality, which was also affected by our perception of the financial information needs of the users of the financial statements, being the magnitude of misstatement in the financial statements that makes it probable for a reasonably knowledgeable person to change or be influenced in his economic decision.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF C&G ENVIRONMENTAL PROTECTION HOLDINGS LIMITED

Overview (Continued)

Area of focus

We focused our resources and effort on areas which were assessed to have higher risks of material misstatement, including areas which involve significant judgments and estimates to be made by directors.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters include the aforementioned salient areas of focus in our audit and do not represent all the risks identified by our audit. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Other than the matter described in the *Material Uncertainty Related to Going Concern* section, we have determined that there are no other key audit matters to communicate in our report.

Other information

Management is responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and the independent auditors' report thereon, which we obtained prior to the date of this report.

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

In connection with our audit of the financial statements our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF C&G ENVIRONMENTAL PROTECTION HOLDINGS LIMITED

Responsibilities of Management and Directors for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provision of Act and IFRSs, and for devising and maintaining a system of internal accounting controls sufficient to provide 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.

In preparing the financial statements, management is responsible for assessing the Company'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 Company or to cease operations, or has no realistic alternative but to do so.

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
C&G ENVIRONMENTAL PROTECTION HOLDINGS LIMITED**

Auditors' Responsibilities for the Audit of the Financial Statements (Continued)

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
C&G ENVIRONMENTAL PROTECTION HOLDINGS LIMITED**

Auditors' Responsibilities for the Audit of the Financial Statements (Continued)

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

The engagement partner on the audit resulting in this independent auditors' report is Tan Chee Tyan.

MAZARS LLP

Public Accountants and Chartered Accountants

Singapore

2 April 2019

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018**

	Note	2018 HK\$'000	2017 HK\$'000
Revenue		–	–
Cost of sales		–	–
Gross profit		–	–
Other income		–	–
Administrative expenses		(2,137)	(3,753)
Loss before taxation from continuing operations	5	(2,137)	(3,753)
Income tax expense	6	–	–
Loss from continuing operations attributable to owners of the Company		(2,137)	(3,753)
Loss for the year from discontinued operations attributable to owners of the Company		–	(12,405)
Loss for the financial year		(2,137)	(16,158)
TOTAL COMPREHENSIVE LOSS FOR THE YEAR ATTRIBUTABLE TO OWNERS OF THE COMPANY		<u>(2,137)</u>	<u>(16,158)</u>
		<i>HK Cents</i>	<i>HK Cents</i>
Loss per share from continuing operations			
– Basic and diluted	7	(2.19)	(0.38)
Loss per share from discontinued operations			
– Basic and diluted		<u>–</u>	<u>(1.27)</u>

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

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2018

	Note	Company	
		2018 HK\$'000	2017 HK\$'000
Current assets			
Bank balances	9	54	641
TOTAL ASSETS		54	641
Capital and reserves			
Share capital	10	97,776	97,776
Reserves	11	(99,647)	(97,510)
(Capital deficiency)/Equity attributable to owner of the Company		(1,871)	266
Current liabilities			
Accruals and other payables	13	1,925	375
Total liabilities		1,925	375
TOTAL EQUITY AND LIABILITIES		54	641

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

**STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018**

	Share capital HK\$'000	Contributed surplus HK\$'000	Share-based payment reserve HK\$'000	Retained earnings HK\$'000	Total reserves HK\$'000	Attributable to owners of the Company HK\$'000
Balance at 1 January 2017	97,776	890,668	29	(155,763)	734,934	832,710
Loss for the financial year/ Total comprehensive loss for the financial year	–	–	–	(16,158)	(16,158)	(16,158)
Dividends paid (Note 14)	–	(816,286)	–	–	(816,286)	(816,286)
Balance at 31 December 2017	<u>97,776</u>	<u>74,382</u>	<u>29</u>	<u>(171,921)</u>	<u>(97,510)</u>	<u>266</u>
Balance at 1 January 2018	97,776	74,382	29	(171,921)	(97,510)	266
Loss for the financial year/ Total comprehensive loss for the financial year	–	–	–	(2,137)	(2,137)	(2,137)
Dividends paid (Note 14)	–	–	–	–	–	–
Balance at 31 December 2018	<u>97,776</u>	<u>74,382</u>	<u>29</u>	<u>(174,058)</u>	<u>(99,647)</u>	<u>(1,871)</u>

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

STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

	Note	2018	2017
		HK\$'000	HK\$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Loss before taxation			
– Continuing operations		(2,137)	(3,753)
– Discontinued operations		<u>–</u>	<u>(12,405)</u>
		<u>(2,137)</u>	<u>(16,158)</u>
Operating loss before working capital changes		(2,137)	(16,158)
Increase/(Decrease) in trade payables		–	(248)
Increase in accruals and other payables	13	<u>509</u>	<u>–</u>
Cash used in operations		<u>(1,628)</u>	<u>(16,406)</u>
Net cash used in operating activities		<u>(1,628)</u>	<u>(16,406)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Net cash inflow from disposal of subsidiaries		<u>–</u>	<u>882,487</u>
Net cash generated from investing activities		<u>–</u>	<u>882,487</u>

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

STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

	Note	2018 HK\$'000	2017 HK\$'000
CASH FLOWS FROM FINANCING ACTIVITIES			
Amount due to ultimate holding company	13	1,041	–
Dividend paid		–	(816,286)
Repayment to ultimate holding company and a related company		–	(49,216)
		<u>1,041</u>	<u>(865,502)</u>
Net cash generated from/(used in) financing activities		<u>1,041</u>	<u>(865,502)</u>
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS			
		(587)	579
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR			
		<u>641</u>	<u>62</u>
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR			
	9	<u><u>54</u></u>	<u><u>641</u></u>

Reconciliation of liabilities arising from financing activity:

	Cash movement		
	1 January	Inflow/ (Outflow)	31 December
	2018	(Outflow)	2018
	HK\$'000	HK\$'000	HK\$'000
Other payables			
Amount due to ultimate holding company	–	1,041	1,041

	Cash movement		
	1 January	Inflow/ (Outflow)	31 December
	2017	(Outflow)	2017
	HK\$'000	HK\$'000	HK\$'000
Other payables			
Amount due to ultimate holding company	49,216	(49,216)	–

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018**

1. GENERAL INFORMATION

The Company (Registration number 35842) is incorporated in Bermuda with limited liability. The address of its registered office is Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda. The address of its principal place of business is Office F, 23/F., MG Tower, 133 Hoi Bun Road, Kwun Tong, Kowloon, Hong Kong. The Company's shares are listed on the Singapore Exchange Securities Trading Limited (the "SGX-ST").

The principal activity of the Company was that of an investment holding company.

Upon completion of disposal of all the subsidiaries as at 30 December 2017, the Group ceased to exist as the Company was no longer a parent which controls any entities. As of 31 December 2018, the Company does not own nor operate any business and is a cash company under Rule 1018 of the Listing Manual.

In the opinion of the directors of the Company, as at 31 December 2018, C&G Holdings (Hong Kong) Limited, a company incorporated in Hong Kong, is the immediate holding and ultimate holding company and Mr. Lam Chik Tsan is the ultimate controlling party of the Company.

The financial statements of the Company for the financial year ended 31 December 2018 were authorised for issue by the Board of Directors on 2 April 2019.

1.1 Going concern

As at 31 December 2018, consequent to the disposal of all operating subsidiaries in the previous financial years, the Company remains as a cash company without any operations. As of 31 December 2018, the Company was in a net current liabilities and capital deficiency position of HKD1,871,867. The Company also incurred a net loss and net operating cash outflow of HKD2,136,448 and HKD1,627,673 for the financial year then ended 31 December 2018. In accordance to ISA 570 Going Concern, these are conditions that indicate the existence of a material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018**

1. GENERAL INFORMATION (Continued)

1.1 Going concern (Continued)

The ability of the Company to continue as a going concern is dependent on:

- (i) the successful completion of the proposed reverse takeover (Note 19);
- (ii) the generation of positive cash flows subsequent to the completion of the proposed reverse takeover; and
- (iii) continued financial support from the ultimate holding company.

If the Company was unable to continue in operational existence resulting from their inability to fulfil the conditions above, the Company may be unable to discharge their liabilities in the normal course of business and adjustments may be required 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 currently recorded in the statement of financial position. No such adjustments have been made to the financial statements.

2. ADOPTION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS

In the current financial year, the Company has adopted all the new and revised International Financial Reporting Standards (“IFRSs”) that are relevant to its operations and effective for annual periods beginning on or after 1 January 2018. IFRSs comprise International Financial Reporting Standards (“IFRS”), International Accounting Standards (“IAS”) and Interpretations. The adoption of these new and revised IFRSs did not result in significant changes to the Company’s accounting policies, presentation of the Company’s financial statements and has no material effect on the amounts reported for the current or prior financial years.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018**

2. ADOPTION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (Continued)

IFRSs and IFRIC issued but not yet effective

At the date of authorisation of these financial statements, the following IFRS, IAS and IFRIC that were issue but not yet effective:

	Effective date (annual periods beginning on or after)	
IFRS 19	Amendments to IFRS 19: <i>Plan Amendment, Curtailment or Settlement</i>	1 January 2019
IFRS 28	Amendments to IFRS 28: <i>Long-term interests in Associates and Joint Ventures</i>	1 January 2019
IFRS 109	Amendments to IFRS 109: <i>Prepayment Features with Negative Compensation</i>	1 January 2019
IFRS 110, IFRS 28	Amendments to IFRS 110 and IFRS 28: <i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i>	To be determined
IFRS 16	Leases	1 January 2019
INT FRS 123	Uncertainty over Income Tax Treatments	1 January 2019
Various	Annual Improvements to IFRSs (March 2018)	1 January 2019
	– Amendments to IFRS 3 <i>Business Combinations: Additional guidance for applying the acquisition method to particular types of business combinations</i>	
	– Amendments to IFRS 11 <i>Joint Arrangements: Accounting for acquisition of interests in joint operations</i>	
	– Amendments to IFRS 12 <i>Income taxes: Measurement, Recognition of current and deferred tax and borrowing costs</i>	
	– Amendments to IFRS 23 <i>Borrowing costs: Borrowing costs eligible for capitalisation</i>	

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018**

2. ADOPTION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (Continued)

IFRSs and IFRIC issued but not yet effective (Continued)

Consequential amendments were also made to various standards as a result of these new/revised standards.

The Company does not intend to early adopt any of the above new/revised standards, interpretations and amendments to the existing standards. Management anticipates that the adoption of the aforementioned revised/new standards will not have a material impact on the financial statements of the Company in the period of their initial adoption.

3. SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with IFRSs and are prepared under the historical cost convention, except as disclosed in the accounting policies below.

The preparation of financial statements in conformity with IFRSs requires the use of certain key assumptions and estimates. It also requires the directors to exercise its judgements in the process of applying the accounting policies. The areas involving critical judgements and areas where assumptions and estimates are significant to these financial statements, are disclosed in Note 4 to the financial statements.

The significant accounting policies applied in the preparation of these financial statements are set out below.

(a) Foreign currency transactions and translation

(i) *Functional and presentation currency*

The financial statements of the Company are measured and presented in Hong Kong dollar (HK\$), which is also the Company's functional currency, and all values presented are rounded to the nearest thousand ("HK\$'000"), unless otherwise indicated.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018**

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(a) Foreign currency transactions and translation (Continued)

(ii) Transactions and balances in the financial statements

Foreign currency transactions are translated into the entity's respective functional currencies at the exchange rates prevailing on the date of the transaction. At the end of each financial year, monetary items denominated in foreign currencies are retranslated at the rates prevailing as of the end of the financial year. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

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

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018**

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(b) Financial instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument.

Effective interest method

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

Financial instruments from 1 January 2018

These accounting policies are applied on and after the initial application date of IFRS 9, (i.e. 1 January 2018).

Financial assets

Initial recognition and measurement

All financial assets are recognised on trade date – the date on which the Company commits to purchase or sell the asset. With the exception of trade receivables that do not contain a significant financing component or for which the Company applies a practical expedient, all financial assets are initially measured at fair value, plus transaction costs, except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value.

Financial assets are classified as subsequently measured at amortised cost, fair value through other comprehensive income (“FVTOCI”) and fair value through profit or loss (“FVTPL”). The classification at initial recognition depends on the Company’s business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018**

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(b) Financial instruments (Continued)

Financial instruments from 1 January 2018 (Continued)

Financial assets (Continued)

Initial recognition and measurement (Continued)

The Company's business model refers to how the Company manages its financial assets in order to generate cash flows which determines whether cash flows will result from collecting contractual cash flows, selling financial assets or both.

The Company determines whether the asset's contractual cash flows are solely payments of principal and interest ("SPPI") on the principal amount outstanding to determine the classification of the financial assets.

Financial assets at amortised cost

A financial asset is subsequently measured at amortised cost if the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Subsequent to initial recognition, the financial asset at amortised cost are measured using the effective interest method and is subject to impairment. Gains or losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

Financial assets at FVTPL

A financial asset is subsequently measured at FVTPL if the financial asset is a financial asset held for trading, is not measured at amortised cost or at FVTOCI, or is irrevocably elected at initial recognition to be designated FVTPL if, by designating the financial asset as FVTPL, eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.

Gains or losses are recognised in profit or loss.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018**

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(b) Financial instruments (Continued)

Financial instruments from 1 January 2018 (Continued)

Financial assets (Continued)

Impairment of financial assets

The Company recognises a loss allowance for expected credit losses (“ECL”) on financial assets measured at amortised cost and debt instruments measured at FVTOCI. At each reporting date, the Company assesses whether the credit risk on a financial asset has increased significantly since initial recognition by assessing the change in the risk of a default occurring over the expected life of the financial instrument. Where the financial asset is determined to have low credit risk at the reporting date, the Company assumes that the credit risk on a financial assets has not increased significantly since initial recognition.

The Company uses reasonable and supportable forward-looking information that is available without undue cost or effort as well as past due information when determining whether credit risk has increased significantly since initial recognition.

Where the credit risk on that financial instrument has increased significantly since initial recognition, the Company measures the loss allowance for a financial instrument at an amount equal to the lifetime ECL. Where the credit risk on that financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month ECL.

The Company uses a practical expedient to recognise the ECL for trade receivables and contract assets, which is to measure the loss allowance at an amount equal to lifetime ECL using an allowance matrix derived based on historical credit loss experience adjusted for current conditions and forecasts of future economic conditions.

The amount of ECL or reversal thereof that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised is recognised in profit or loss.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018**

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(b) Financial instruments (Continued)

Financial instruments from 1 January 2018 (Continued)

Financial assets (Continued)

Impairment of financial assets (Continued)

While they are not financial assets, contract assets arising from the Company's contracts with customers under IFRS 15 are assessed for impairment in accordance with IFRS 9, similar to that of trade receivables.

The Company directly reduces the gross carrying amount of a financial asset when the entity has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof.

For details on the Company's accounting policy for its impairment of financial assets, refer to Note 17.

Derecognition of financial assets

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

Financial liabilities and equity instruments

Classification as debt or equity

Financial liabilities and equity instruments issued by the Company are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018**

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(b) Financial instruments (Continued)

Financial instruments from 1 January 2018 (Continued)

Financial liabilities and equity instruments (Continued)

Equity instruments

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

Ordinary share capital

Ordinary share capital is classified as equity. Incremental costs directly attributable to the issue of ordinary shares and share options are recognised as a deduction from equity.

Financial liabilities

Initial recognition and measurement

All financial liabilities are recognised on trade date – the date on which the Company commits to purchase or sell the asset. All financial liabilities are initially measured at fair value, minus transaction costs, except for those financial liabilities classified as at fair value through profit or loss, which are initially measured at fair value.

Financial liabilities are classified as either financial liabilities at fair value through profit or loss or other financial liabilities.

Financial liabilities are classified as at fair value through profit or loss if the financial liability is either held for trading or it is designated as such upon initial recognition. Financial liabilities classified as at fair value through profit or loss comprise derivatives that are not designated or do not qualify for hedge accounting.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018**

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(b) Financial instruments (Continued)

Financial instruments from 1 January 2018 (Continued)

Financial liabilities and equity instruments (Continued)

Financial liabilities (Continued)

Other financial liabilities

Trade and other payables

Trade and other payables are initially measured at fair value, net of transaction costs, and are subsequently measured at amortised cost, where applicable, using the effective interest method, with interest expense recognised on an effective yield basis. A gain or loss is recognised in profit or loss when the liability is derecognised and through the amortisation process.

Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or they expire.

Offsetting of financial instruments

A financial asset and a financial liability shall be offset and the net amount presented in the statement of financial position when, and only when, an entity:

- (a) Currently has a legally enforceable right to set-off the recognised amounts; and
- (b) Intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Interest income

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018**

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(b) Financial instruments (Continued)

Financial assets before 1 January 2018

Financial assets are classified into loan and receivables. The classification at initial recognition depends on the nature and purpose for which these financial assets were acquired and is determined at the time of initial recognition.

Loans and receivables

The Company's loans and receivables comprise trade and other receivables, amounts owing by related companies and cash and cash equivalents

Such loans and receivables are non-derivatives with fixed or determinable payments that are not quoted in an active market. They are measured at amortised cost, using the effective interest method less impairment. Interest is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

Impairment of financial assets

Financial assets are assessed for indicators of impairment at the end of each financial year. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been impacted.

For financial assets carried at amortised cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate.

The carrying amounts of all financial assets are reduced by the impairment loss directly with the exception of trade receivables where the carrying amount is reduced through the use of an allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment loss was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018**

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(b) Financial instruments (Continued)

Financial assets before 1 January 2018 (Continued)

Offsetting of financial instruments (Continued)

Derecognition of financial assets

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

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument.

(c) Dividends

Equity dividends are recognised as a liability when they become legally payable. Interim dividends are recorded in the financial year in which they are declared payable. Final dividends are recorded in the financial year in which dividends are approved by shareholders. A corresponding amount is recognised in equity.

(d) Cash and cash equivalents

Cash and cash equivalents represent cash at bank and on hand, demand deposits with banks and other financial institutions, and short-term highly liquid investments which are readily convertible into known amounts of cash and subject to an insignificant risk of change in value. For the statement of cash flows, the item includes cash and cash equivalents less cash subject to restriction and bank overdrafts payable on demand that form an integral part of cash management.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018**

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(e) Discontinued operations

A discontinued operation is a component of the Company's business that represents a separate major line of business or geographical area of operations that has been disposed of or is held for sale, or is a subsidiary acquired exclusively with a view to resale. Classification as a discontinued operation occurs upon disposal or when the operation meets the criteria to be classified as held for sale, if earlier. When an operation is classified as a discontinued operation, the comparative profit or loss is re-presented as if the operation had been discontinued from the start of the comparative period.

(f) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and is recognised when it is probable that the economic benefits will flow to the Company and the amount of revenue can be measured reliably.

Dividend income

Dividend income is recognised when the shareholder's right to receive the payment has been established.

(g) Employee benefits

(i) *Employee leave entitlements*

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

Employee entitlements to sick leave and maternity leave are not recognised until the time of leave.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018**

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(g) Employee benefits (Continued)

(ii) Pension obligations

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

(iii) Termination benefits

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

(h) Share-based payments

The Company issues equity-settled share-based payments to certain employees. Equity-settled share-based payments are measured at the fair value (excluding the effect of non market-based vesting conditions) of the equity instruments at the date of grant. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Company's estimate of shares that will eventually vest and adjusted for the effect of non market-based vesting conditions. At the end of each financial year, the Company revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised over the remaining vesting period with a corresponding adjustment to the equity-settled share options reserve.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018**

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(i) Income tax

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

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported profit or loss because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are not taxable or tax deductible. The Company's liability for current tax is calculated using tax rates (and tax laws) that have been enacted or substantively enacted in countries where the Company and subsidiaries operate by the end of the financial year.

Deferred tax is recognised on the 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, and are accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised on taxable temporary differences arising on investments in subsidiaries and associates, and interests in joint ventures, except where the Company can control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

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

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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018**

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(i) Income tax (Continued)

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

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 Company intends to settle its current tax assets and liabilities on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Current and deferred tax are recognised as an expense or income in profit or loss, except when they relate to items credited or debited directly to equity, in which case the tax is also recognised directly in equity, or where they arise from the initial accounting for a business combination. In the case of a business combination, the tax effect is taken into account in calculating goodwill or determining the excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over cost.

Revenue, expenses and assets are recognised net of the amount of sales tax except:

- when the sales tax that is incurred on purchases is not recoverable from the tax authorities, in which case the sales tax is recognised as part of cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables that are stated with the amount of sales tax included.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018**

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(j) Related parties

A related party is defined as follows:

- (a) A person or a close member of that person's family is related to the Company if that person:
 - (i) has control or joint control over the Company;
 - (ii) has significant influence over the Company; or
 - (iii) is a member of the key management personnel of the Company or of a parent of the Company.
- (b) An entity is related to the Company if any of the following conditions applies:
 - (i) The entity and the Company 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 Company or an entity related to the Company. If the Company is itself such a plan, the sponsoring employers are also related to the Company.
 - (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).

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018**

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(j) Related parties (Continued)

(b) (Continued)

(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.

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

(k) Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the financial year, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows, which is discounted using a pre-tax discount rate.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Changes in the estimated timing or amount of the expenditure or discount rate are recognised in profit or loss as they arise.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018**

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(l) Contingencies

A contingent liability is:

- (i) a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company; or
- (ii) a present obligation that arises from past events but is not recognised because:
 - (a) it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
 - (b) the amount of the obligation cannot be measured with sufficient reliability.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company.

Contingencies are not recognised on the statement of financial position of the Company, except for contingent liabilities assumed in a business combination that are present obligations and which the fair value can be reliably determined.

(m) Events after the reporting period

Events after the reporting period that provide additional information about the Company's position at the end of the reporting period or those that indicate the going concern assumption is not appropriate are adjusting events and are reflected in the financial statements. Events after the reporting period that are not adjusting events are disclosed in the notes to the financial statements when material.

(n) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Company of executive directors and the chief.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018**

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

4.1 Critical judgements made in applying the Company's accounting policies

The management is of the opinion that there are no critical judgements involved that have any significant effect on the amounts recognised in the financial statements, and no estimates and assumptions that have any significant risk of causing a material adjustment to the carrying amounts of asset and liabilities within the next financial year.

5. LOSS BEFORE TAXATION FROM CONTINUING OPERATIONS

The Company's loss for the year attributable to the owners of the Company is stated after charging the following:

	2018 HK\$'000	2017 HK\$'000
Auditors' remuneration		
Auditors of the Company	183	174
Directors' fees		
Directors of the Company	289	598
Legal and professional fees	568	771
Staff costs	954	1,847
	<u>954</u>	<u>1,847</u>

6. INCOME TAX EXPENSE

Reconciliation of effective tax rate is as follows:

	2018 HK\$'000	2017 HK\$'000
Loss before income tax	(2,137)	(16,158)
Tax at the applicable tax rate of 16.5% (2017:16.5%)	(353)	(2,666)
Tax effect of income that is not taxable	–	–
Tax effect of different tax rates of subsidiaries	–	–
Tax effect of tax losses not recognised	353	2,666
Income tax expense	<u>–</u>	<u>–</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018**

7. LOSS PER SHARE

The calculation of basic loss per share for the year is based on the following data:

	Continuing operations		Discontinued operations		Total	
	2018	2017	2018	2017	2018	2017
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Loss for the financial year	<u>(2,137)</u>	<u>(3,753)</u>	<u>-</u>	<u>(12,405)</u>	<u>(2,137)</u>	<u>(16,158)</u>
					2018	2017
Weighted average number of ordinary shares in issue during the financial year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>977,755,354</u>	<u>977,755,354</u>

For the purpose of calculating the diluted loss per ordinary share, the weighted average number of ordinary shares in issue is adjusted to take into account the dilutive effect arising from the dilutive share options and share awards into ordinary shares, with the potential ordinary shares weighted for the period outstanding.

The effects of the adjustment for dilutive effect of the CG ESOS, CG PSP and CG RSP on the weighted average number of ordinary shares in issue are as follows:

	2018	2017
Weighted average number of: Ordinary shares used in the calculation of basic loss per share	977,755,354	977,755,354
Potential ordinary shares issuable under: – Share awards under CG RSP	<u>200,000</u>	<u>200,000</u>
Weighted average number of ordinary shares in issue and potential ordinary shares assuming full conversion	<u>977,955,354</u>	<u>977,955,354</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018**

8. DISCONTINUED OPERATIONS

During the financial year ended 31 December 2017, the outstanding consideration receivables consequent to the disposal of operations in the financial year ended 31 December 2016 were fully received and the results relating to the discontinued operations is as follow:

	2017 HK\$'000
Revenue	
Costs of sales	—
	<hr style="width: 100%;"/>
Gross profit	—
Other income	—
Administrative expenses	(12,405)
	<hr style="width: 100%;"/>
Loss from discontinued operations	(12,405)
Finance costs	—
	<hr style="width: 100%;"/>
Loss before taxation	(12,405)
Income tax expense	—
	<hr style="width: 100%;"/>
Loss for the year	(12,405)
Loss on disposal of discontinued operations	—
	<hr style="width: 100%;"/>
	<u><u>(12,405)</u></u>

Loss per share

2017

Loss per share from discontinued operations attributable to owners
of the Company (HK cents):

Basic and diluted	(66.23)
	<hr style="width: 100%;"/>
	<u><u>(66.23)</u></u>

The basic and diluted loss per share from discontinued operations are calculated by dividing the profit from discontinued operations, net of tax, attributable to owners of the Company by the weighted average number of ordinary shares for basic loss per share computation and weighted average number of ordinary shares for diluted loss per share computation respectively. The loss and share data are presented in Note 7 to the financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018**

9. BANK BALANCES

The carrying amounts of bank balances are denominated in the following currencies:

	2018	2017
	HK\$'000	HK\$'000
RMB	3	626
HKD	4	5
USD	–	–
SGD	47	10
	<u>54</u>	<u>641</u>
	<u><u>54</u></u>	<u><u>641</u></u>

10. SHARE CAPITAL

	Ordinary shares (of HK\$0.10 each) ('000)	HK\$'000
Authorised share capital		
At 1 January 2017 and 31 December 2017 and 2018	<u>2,000,000</u>	<u>200,000</u>
Issued and fully paid:		
At 1 January 2017 and 31 December 2017	<u>977,755</u>	<u>97,776</u>
At 1 January 2018 and 31 December 2018	<u><u>977,755</u></u>	<u><u>97,776</u></u>

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company.

Capital management

The Company's primary objectives when managing capital are to safeguard the Company's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders, by pricing products and services commensurately with the level of risk and by securing access to finance at a reasonable cost.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018**

10. SHARE CAPITAL (Continued)

Capital management (Continued)

The Company actively and regularly review and manage its capital structure to maintain a balance between the higher shareholders returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position and makes adjustments to the capital structure in light of changes in economic conditions.

The Company monitor capital with reference to its debt position. The Company's strategy was to maintain the equity and debt in a balanced position and ensure there was adequate working capital to service its debt obligation.

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 December 2018 and 2017.

According to the Rule 723 of the Listing Manual of the SGX-ST, at least 10% of the Company's shares should be held in the hands of public. In the opinion of directors, the Company has complied with the Rule 723.

The Company is not subject to any other externally imposed capital requirements for the financial years ended 31 December 2018 and 2017.

11. RESERVES

(a) Nature and purpose of reserves

(i) *Contributed surplus*

Contributed surplus of the Company arose as a result of the restructuring exercise on 3 March 2005 to rationalise the structure of the Company in preparation for the listing of the Company's shares on the SGX-ST, and represents the difference between the consolidated net asset value of subsidiaries acquired, over the nominal value of the Company's shares issued in exchange therefore.

Under the Companies Act of Bermuda (as amended), the contributed surplus of the Company is available for distribution to shareholders, provided that the Company is, after the payment of dividends out of the contributed surplus, able to pay its liabilities as they become due; or the realisable value of the Company's assets would thereby not be less than the aggregate of its liabilities, issued share capital and reserves.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018**

12. EQUITY-SETTLED SHARE OPTION SCHEME

(a) Employee share option scheme

On 24 April 2013, the shareholders of the Company approved and adopted a share options scheme known as the CG ESOS. The CG ESOS is administered by a committee appointed by the board of director of the Company (the “Committee”). The CG ESOS will provide eligible participants who are employees of the Company and who are not non-executive directors and controlling shareholders or their associates, with an opportunity to participate in the equity of the Company. The aggregate number of shares over which the Committee may grant options on any date shall not exceed 10% of the issued shares of the Company on the day preceding the date of the relevant grant. The number of options to be granted to the eligible participants, exercise period and the timing of such grant are to be determined at the absolute discretion of the Committee. The exercise prices are set at the market prices which is equivalent to the average of the last dealt prices of the shares for five consecutive market days immediately preceding the date of their grant. The CG ESOS shall continue to be in force at the discretion of the Committee subject to maximum period of 10 years commencing from the approval date of the CG ESOS at the general meeting, provided always that the proposed CG ESOS may continue beyond the above stipulated period with the approval of shareholders in general meeting and of any relevant authorities which may then be required. Notwithstanding the expiry or termination of the CG ESOS, any outstanding options made to CG ESOS participants prior to such expiry or termination will continue to remain valid.

During the financial year, there is no movement and options at the end of the year.

(b) Performance share plan

Under the rules of the CG ESOS, the above share options granted and accepted by grantee could only be exercised after the first anniversary of the date of grant and in accordance with the vesting schedule and the conditions, if any, to be determined by the Committee at the date of offer of the relevant options, and all expiring on the tenth anniversary of such date of grant or otherwise set out in the CG ESOS.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018**

12. EQUITY-SETTLED SHARE OPTION SCHEME (Continued)

(b) Performance share plan (Continued)

On 24 April 2013, the shareholders of the Company approved a performance share plan known as the CG PSP. The CG PSP is administered by the Committee. The CG PSP will provide eligible participants who are employees of the Company and who are not non-executive directors and controlling shareholders or their associates, with an opportunity to participate in the equity of the Company. The awards granted under the CG PSP represent the right of a PSP participant to receive fully paid shares free of charge upon achieving prescribed performance targets. The aggregate number of shares over which the Committee may grant options on any date shall not exceed 10% of the issued shares of the Company on the day preceding the date of the relevant grant. The number of shares to be granted to the eligible participants, the performance targets, the prescribed vesting periods, the extent to which shares shall be released at the end of the vesting period, the extent to which shares shall be released on the prescribed performance targets being satisfied upon the expiry of the vesting period, and the timing of such grant are to be determined at the absolute discretion of the Committee. The CG PSP shall continue to be in force at the discretion of the Committee subject to maximum period of 10 years commencing from the approval date of the CG PSP at the general meeting, provided always that the CG PSP may continue beyond the above stipulated period with the approval of shareholders in general meeting and of any relevant authorities which may then be required. Notwithstanding the expiry or termination of the CG PSP, any outstanding award made to CG PSP participants prior to such expiry or termination will continue to remain valid.

During the financial year, there is no movement and options at the end of the year.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018**

12. EQUITY-SETTLED SHARE OPTION SCHEME (Continued)

(c) Restricted share plan

On 24 April 2013, the shareholders of the Company approved a restricted share plan known as the CG RSP. The CG RSP is administered by the Committee. The CG RSP will provide eligible participants who are employees of the Company and who are not non-executive directors and controlling shareholders or their associates, with an opportunity to participate in the equity of the Company. The awards granted under the CG RSP represent the right of a RSP participant to receive fully paid shares free of charge upon achieving prescribed vesting conditions, including services condition. The aggregate number of shares over which the Committee may grant options on any date shall not exceed 10% of the issued shares of the Company on the day preceding the date of the relevant grant. The number of shares to be granted to the eligible participants, the prescribed vesting conditions, the prescribed vesting periods, the extent to which shares shall be released at the end of the vesting period, the extent to which shares shall be released on the prescribed vesting conditions being satisfied upon the expiry of the vesting period, and the timing of such grant are to be determined at the absolute discretion of the Committee. The CG RSP shall continue to be in force at the discretion of the Committee subject to maximum period of 10 years commencing from the approval date of the CG RSP at the general meeting, provided always that the CG RSP may continue beyond the above stipulated period with the approval of shareholders in general meeting and of any relevant authorities which may then be required. Notwithstanding the expiry or termination of the CG RSP, any outstanding award made to CG RSP participants prior to such expiry or termination will continue to remain valid.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018**

12. EQUITY-SETTLED SHARE OPTION SCHEME (Continued)

(c) Restricted share plan (Continued)

Details of the shares outstanding under CG RSP during the year are as follows:

	2018	2017
	Number of	Number of
	shares	shares
	'000	'000
Outstanding at the beginning of the year	200	200
Forfeited during the year	—	—
	<u> </u>	<u> </u>
Outstanding at the end of the year	<u> 200</u>	<u> 200</u>

The fair value was calculated using the share price of the Company at the grant date and discount by DLOM. DLOM is regarded as a put option of which the share price equals exercise price. It is calculated using the Black-Scholes Option Pricing Model. The time-to-maturity and the volatility are replicated by the expected time to vesting of the CG RSP shares and the historical volatility of the Company. The inputs into the model were as follows:

	2018 & 2017
Date of grant	19 June 2014
Fair value at grant date	S\$0.12222 (equivalent to HK\$0.75614)
Share price	S\$0.265 (equivalent to HK\$1.640)
Expected volatility	69.19%
Time-to-maturity	8.9 years
Risk free rate	2.37%
DLOM	53.88%

Expected volatility was determined by calculating the historical volatility of the Company's share price over the previous 466 weeks.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018**

12. EQUITY-SETTLED SHARE OPTION SCHEME (Continued)

(c) Restricted share plan (Continued)

Details of share award granted and accepted by certain employees pursuant to the CG RSP during the year ended 31 December 2018 are as follows:

Date of grant	Vesting period	Beginning of year, number of outstanding award	Number of share award granted and accepted during the year	Number of share award released during the year	Number of share award forfeited during the year	End of year, number of outstanding award
13 May 2013	13 May 2013 – 26 August 2025	200,000	-	-	-	200,000
		<u>200,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>200,000</u>

During the current and previous financial year, the Company has not recognised any expenses relating to CG ESOS, CG PSP and CG RSP.

13. ACCRUALS AND OTHER PAYABLES

	2018 HK\$'000	2017 HK\$'000
Accruals and other payables	884	375
Due to the ultimate holding company	<u>1,041</u>	<u>-</u>
	<u><u>1,925</u></u>	<u><u>375</u></u>

The carrying amounts of accruals and other payables are denominated in the following currencies:

	2018 HK\$'000	2017 HK\$'000
HKD	1,543	50
SGD	<u>382</u>	<u>325</u>
	<u><u>1,925</u></u>	<u><u>375</u></u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018**

14. DIVIDENDS

- (a) On 9 January 2017, the Company declared a first interim special dividend of S\$0.04 per ordinary share (equivalent to approximately HK\$0.2163 per ordinary share) of the Company totalling S\$39.11 million (equivalent to approximately HK\$211 million) in respect of the financial year ended 31 December 2017. The dividend is paid on 25 January 2017.
- (b) On 20 March 2017, the Company declared a second interim special dividend of S\$0.103 per ordinary share (equivalent to approximately HK\$0.5791 per ordinary share) of the Company totalling S\$100.71 million (equivalent to approximately HK\$566 million) in respect of the financial year ended 31 December 2017. The dividend is paid on 5 April 2017.
- (c) On 7 December 2017, the Company declared a third interim special dividend of S\$0.0068 per ordinary share (equivalent to approximately HK\$0.0394 per ordinary share) of the Company totalling S\$6.6 million (equivalent to approximately HK\$39 million) in respect of the financial year ended 31 December 2017. The dividend is paid on 28 December 2017.

15. SEGMENT INFORMATION

The Company determines its operating segments based on the reports reviewed by the chief operating decision-makers that are used to make strategic decisions.

In the previous financial year, consequent to the disposal of the subsidiaries the Company does not have separately reportable segment information.

The Company is a cash company under Rule 1018 of the Listing Manual of the Singapore Exchange Securities Trading Limited (“SGX-ST Listing Manual”).

16. SIGNIFICANT RELATED PARTY TRANSACTIONS

Other than the related party information disclosed elsewhere in the financial statements, the following are significant related party transactions entered into between the Company and related parties at rates and terms agreed between the parties:

- (a) During the year, the ultimate holding company made advances to the Company. Details of the balance at the end of the reporting period are as follows:

	2018	2017
	HK\$'000	HK\$'000
Amount due to the ultimate holding company	<u>1,041</u>	<u>–</u>

The amount is unsecured, interest-free and repayable on demand.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018**

17. FINANCIAL INSTRUMENTS AND FINANCIAL RISKS

The Company's activities exposed it to credit risk, foreign currency risk and liquidity risk. The Company's overall risk management programme focused on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Company's financial performance.

The Company's financial assets mainly included other receivables and bank balances. The Company's financial liabilities mainly included accruals and other payables.

The management is responsible for setting the objectives and underlying principles of financial risk management for the Company. The management then establishes the detailed policies such as authority levels, oversight responsibilities, risk identification and measurement, exposure limits and hedging strategies, in accordance with the objectives and underlying principles approved by the management.

There have been no changes to the Company's exposure to these financial risks or the manner in which it manages and measures the risk. Market risk exposures are measured using sensitivity analysis indicated below. The Company do not hold or issue derivative financial instruments for trading purposes.

Credit risk

Credit risk refers to the risk that the counterparty will default on its contractual obligations resulting in a loss to the Company. The Company has adopted a policy of only dealing with creditworthy counterparties. An ongoing credit evaluation is performed on the debtors' financial condition.

The Company does not have any significant credit exposure to any single counterparty having similar characteristics.

The Company's major class of financial assets is cash and cash equivalent

Bank balances are placed with banks with high credit-ratings assigned by international credit rating agencies. As at 31 December 2018, there were no significant concentration of credit risk.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018**

17. FINANCIAL INSTRUMENTS AND FINANCIAL RISKS (Continued)

Foreign currency risk

The Company is mainly exposed to foreign currency risk on expenses that are denominated in Singapore dollar (“SGD”).

	Assets		Liabilities	
	2018	2017	2018	2017
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
RMB	–	626	–	–
SGD	47	–	–	–
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

Foreign currency sensitivity analysis

The following table details the Company’s sensitivity to a 1% increase or decrease in various foreign currencies against the respective functional currencies of the Company entities. The sensitivity analysis assumes an instantaneous 1% change in the foreign currency exchange rates from the end of the financial year, with all variables held constant. The results of the model are also constrained by the fact that only monetary items, which are denominated in RMB is included in the analysis.

Foreign currency sensitivity analysis

If the relevant foreign currency strengthens by 1% (2017: 1%) against the functional currency of the Company, profit or loss will increase or (decrease) by:

	RMB impact	
	2018	2017
	HK\$'000	HK\$'000
Company		
Profit or loss	<u> </u> –*	<u> </u> 6

* denotes amount < HK\$1,000

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018**

17. FINANCIAL INSTRUMENTS AND FINANCIAL RISKS (Continued)

Liquidity risk

The Company managed its liquidity risk by ensuring the availability of funding through the ultimate holding company.

The table below analyses non-derivative financial liabilities of the Company into relevant maturing groupings based on the remaining period from the end of the reporting period to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. The table includes both interest and principal cash flows.

During the current and previous financial year, the contractual maturity of the Company's non-derivative financial instruments as shown in the statement of financial position is less than 1 year.

Categories of financial instruments at the reporting date are as follows:

	2018	2017
	HK\$'000	HK\$'000
Undiscounted Financial assets:		
Cash and bank Balances	54	641
	<u>54</u>	<u>641</u>
Undiscounted Financial liabilities:		
Other Payables	1,925	375
	<u>1,925</u>	<u>375</u>

18. FAIR VALUE OF ASSETS AND LIABILITIES

The carrying amounts of the financial assets and financial liabilities of the Company, including other receivables, bank balances, accruals and other payables approximate their respective fair values.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018**

19. EVENTS AFTER THE REPORTING PERIOD

On 28 December 2017, the Company announced that they have entered into a non-binding term sheet with Param Mitra Coal Resources Pte Limited (the “Vendor”) in relation to a Proposed Transaction to acquire entities. The Proposed Transaction, if undertaken and completed, is expected to result in a reverse takeover of the Company under Rule 1015 of the Listing Manual (the “Listing Rules”) of the Singapore Exchange Securities Trading Limited (the “SGX ST”).

On 31 May 2018, the Company has entered into a Sales and Purchase Agreement with the Vendor to:

- (a) Acquire the following entities
- 1) 14,857,000 shares (100% shareholding) of Param Mitra Coal Resources One Pte. Limited (“PMCR1”);
 - 2) 5,530,000 shares (100% shareholding) of Param Mitra Coal Resources Two Pte. Limited (“PMCR2”);
 - 3) 1 share (100% shareholding) of Dragon Power Investments Limited (“DPIL”);
 - 4) 1,500,000 shares (100% shareholding) of Unity Holding Business Singapore Pte. Ltd. (“UHBS”); and
 - 5) where applicable, the Target Company Additional Shares where any of PMCR1, PMCR2, UHBS and DPIL (“PMCR Target Companies”) and their subsidiaries (“PMCR Target Group” and each a “PMCR Target Group Company”) undertakes fund-raising activity pursuant to which the investor shall be allotted and issued shares in the PMCR Target Group (“Target Company Additional Shares”),
- (b) Acquire the shareholder loans and advances outstanding as at completion of the Proposed Transaction in accordance with the Sale and Purchase Agreement (“Completion”) from the Vendor (as lender) to the PMCR Target Group Companies (as borrower(s)), such amount to be at least US\$19 million but not exceeding US\$24 million (“PMCR Shareholder Loans”).

(Collectively known as the “Transaction”)

On 8 February 2019, SGX-ST granted the Company an extension of time to 31 March 2019 to complete and circulate the Joint Ore Reserve Committee (“JORC”) Report and Valuation Report to Initial Public Offering (“IPO”) professionals, to 30 June 2019 to submit Section (A) of the Listing Admissions Packs to SGX-ST and 31 October 2019 to complete the Proposed Transaction pursuant to Rule 1018(2) of the Listing Manual.

STATISTICS OF SHAREHOLDINGS

As at 18 March 2019

DISTRIBUTION OF SHAREHOLDINGS

Authorised share capital	:	HK\$200,000,000
Issued and fully paid-up capital	:	HK\$97,775,535
Class of shares	:	Ordinary share of HK\$0.10 each
Voting rights	:	One vote per share

DISTRIBUTION OF SHAREHOLDERS

Size of Shareholdings	No. of Shareholders	%	No. of Shares	%
1 – 99	4	0.20	185	0.00
100 – 1,000	79	4.07	48,231	0.00
1,001 – 10,000	663	34.14	4,580,002	0.47
10,001 – 1,000,000	1,163	59.89	118,506,781	12.12
1,000,001 AND ABOVE	33	1.70	854,620,155	87.41
TOTAL	1,942	100.00	977,755,354	100.00

SUBSTANTIAL SHAREHOLDERS

Name of Substantial Shareholder	No. of shares in which shareholder has a direct interest		No. of shares in which shareholder is deemed to have an interest	
	No. of shares	%	No. of shares	%
C&G Holdings (Hong Kong) Limited	774,537,355	79.22	–	–
Lam Chik Tsan	–	–	774,537,355 ^(a)	79.22

Note:

(a) Deemed to be interested in all the shares held by C&G Holdings (Hong Kong) Limited.

STATISTICS OF SHAREHOLDINGS

TWENTY-ONE LARGEST SHAREHOLDERS

	Shareholder's name	Number of shares held	%
1	RAFFLES NOMINEES (PTE) LTD	780,854,755	79.86
2	SEAH SEOW CHER	11,000,000	1.13
3	PHILLIP SECURITIES PTE LTD	5,201,900	0.53
4	ANG CHIN SAN	4,500,000	0.46
5	OCBC SECURITIES PRIVATE LTD	3,633,600	0.37
6	UOB KAY HIAN PTE LTD	3,539,500	0.36
7	ANG CHEW KHENG	3,390,200	0.35
8	DBS VICKERS SECURITIES (SINGAPORE) PTE LTD	3,096,200	0.32
9	DBS NOMINEES PTE LTD	2,946,500	0.30
10	QUAH TECK HWA	2,580,000	0.26
11	DB NOMINEES (SINGAPORE) PTE LTD	2,199,000	0.22
12	CGS-CIMB SECURITIES (SINGAPORE) PTE LTD	2,043,100	0.21
13	TAN YONG HENG	2,000,000	0.20
14	CHAN SOH HAR	1,904,200	0.19
15	KNG PONG SAI	1,700,000	0.17
16	MAYBANK KIM ENG SECURITIES PTE. LTD.	1,663,000	0.17
17	QUAH KEOW AIK	1,630,000	0.17
18	LIAN ENG HOCK	1,620,000	0.17
19	JULIANA TAN SWEE FANG	1,582,000	0.16
20	HONG LEONG FINANCE NOMINEES PTE LTD	1,500,000	0.15
21	LEE SOO HIAN JAMES	1,500,000	0.15
	TOTAL	<u>840,083,955</u>	<u>85.90</u>

PERCENTAGE OF SHAREHOLDING IN PUBLIC'S HANDS

Approximately 20.70% 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.

NOTICE OF ANNUAL GENERAL MEETING

C&G ENVIRONMENTAL PROTECTION HOLDINGS LIMITED

(Incorporated in Bermuda on 24 September 2004)

Registration No.: 35842

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting of the Company will be held at Shibuya Room, 137 Cecil Street, #04-01 Hengda Building, Singapore 069537 on Tuesday, 23 April 2019 at 2.30 p.m. to transact the following business:

AS ORDINARY BUSINESS

1. To receive and adopt the Directors' Statement and Audited Financial Statements for the financial year ended 31 December 2018 and the Auditors' Report thereon. **(Resolution 1)**
 2. To approve the Directors' fees of S\$50,000 for the financial year ending 31 December 2019, to be paid quarterly in arrears. (2018: S\$50,000) **(Resolution 2)**
 3. To re-elect Mr Leow Yong Kin, a Director of the Company retiring pursuant to Bye-law 85(6) of the Company's Bye-laws. **(Resolution 3)**
- (See Explanatory Note 1)*
4. To re-elect Mr Lam Chik Tsan, a Director of the Company retiring pursuant to Bye-law 86 of the Company's Bye-laws. **(Resolution 4)**
 5. To re-appoint Messrs Mazars 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 resolutions with or without modifications:

5. **Authority to issue shares and convertible securities** **(Resolution 6)**

“That in accordance with Rule 806 of the Listing Manual of the SGX-ST, approval be and is given to the Directors to issue:

- (a) shares in the Company (whether by way of bonus, rights or otherwise); or
- (b) convertible securities; or

NOTICE OF ANNUAL GENERAL MEETING

- (c) additional convertible securities arising from adjustments made to the number of convertible securities previously issued in the events of rights, bonus or capitalization issues; or
- (d) shares arising from the conversion of convertible securities,

at any time and upon such terms and conditions and for such purposes as the Directors may in their absolute discretion deem fit provided that:

- (i) the aggregate number of shares and convertible securities that may be issued shall not be more than 50% of the issued share capital of the Company excluding treasury shares or such other limit as may be prescribed by the SGX-ST as at the date the general mandate is passed;
- (ii) the aggregate number of shares and convertible securities to be issued other than on a pro-rata basis to existing shareholders shall not be more than 20% of the issued share capital of the Company excluding treasury shares or such other limit as may be prescribed by the SGX-ST as at the date the general mandate is passed;
- (iii) for the purpose of determining the aggregate number of shares that may be issued under sub-paragraphs (i) and (ii) above, the percentage of issued share capital of the Company excluding treasury shares is based on the issued share capital of the Company excluding treasury shares as at the date the general mandate is passed after adjusting for new shares arising from the conversion or exercise of any convertible securities or employee stock options in issue as at the date the general mandate is passed and any subsequent bonus issue consolidation or subdivision of the Company's shares;
- (iv) in exercising the authority 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 Bye-laws for the time being of the Company; and

NOTICE OF ANNUAL GENERAL MEETING

- (v) (unless revoked or varied by the Company in general meeting) the authority conferred by this Resolution shall continue in force 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 the earlier.”

(See Explanatory Note 2)

6 Authority to issue shares under the Employee Share Option Scheme (“CG ESOS”), Performance Share Plan (“CG PSP”) and Restricted Share Plan (“CG RSP”) (Resolution 7)

“That authority be and is hereby given to the Directors of the Company to allot and issue from time to time such number of ordinary shares in the capital of the Company as may be required to be issued pursuant to the exercise of options under the CG ESOS and/or such number of fully paid shares as may be required to be issued pursuant to the vesting of awards under the CG PSP and/or the CG RSP, provided that the aggregate number of new shares to be allotted and issued, and existing shares which may be delivered in respect of the above, shall not exceed 10% of the Company’s total number of issued shares excluding treasury shares from time to time.”

(See Explanatory Note 3)

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

BY ORDER OF THE BOARD

Lee Wei Hsiung

Company Secretary

8 April 2019

NOTICE OF ANNUAL GENERAL MEETING

Explanatory Notes:

1. Mr Leow Yong Kin will, upon re-election as a Director of the Company, remain as the Chairman of the Audit, Remuneration and Nominating Committees. He will be considered independent for the purposes of Rule 704(8) of the Listing Manual of the Singapore Exchange Securities Trading Limited (“SGX-ST”).

The Director who has offered himself for re-election has confirmed that, he does not have any relationship (including immediate family relationships) with the other Directors, the Company or its 10% shareholders. The current directorship in other listed company (if any) and details of other principal commitments held by the Director is set out on page 5 to 7 of this Annual Report.

2. Ordinary Resolution 5, if passed, will empower the Directors of the Company from the date of the above Meeting until the next Annual General Meeting, or the date by which the next Annual General Meeting of the Company is required by law or the bye-laws of the Company to be held, or when revoked or varied by the Company at a general meeting, whichever is earlier, to allot and issue shares and convertible securities in the Company up to an amount not exceeding in aggregate 50% of the issued share capital of the Company excluding treasury shares of which the total number of shares and convertible securities issued other than on a pro-rata basis to existing shareholders shall not exceed 20% of the issued share capital of the Company excluding treasury shares at the time the resolution is passed.
3. Ordinary Resolution 6, if passed, will empower the Directors of the Company to allot and issue shares pursuant to the exercise of options under the CG ESOS and/or such number of fully paid shares as may be required to be issued pursuant to the vesting of awards under the CG PSP and/or the CG RSP, not exceeding 10% of the Company’s total number of issued shares excluding treasury shares from time to time.

Notes:

1. A registered Shareholder entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy to attend and vote in his stead. A proxy need not be a member of the Company.
2. If a registered Shareholder is unable to attend the Annual General Meeting and wishes to appoint a proxy to attend and vote at the Annual General Meeting in his stead, then he should complete and sign the relevant Member Proxy Form and deposit the duly completed Member Proxy Form at the office of the Company’s Share Transfer Agent in Singapore, Tricor Barbinder Share Registration Services (A division of Tricor Singapore Pte Ltd) at 80 Robinson Road, #02-00, Singapore 068898 not later than 48 hours before the time appointed for the Annual General Meeting.
3. A depositor registered and holding Shares through The Central Depository (Pte) Limited (“CDP”) who/which is (i) an individual but is unable to attend the Annual General Meeting personally and wishes to appoint a nominee to attend and vote; or (ii) a corporation, must complete, sign and return the Depositor Proxy Form and deposit the duly completed Depositor Proxy Form at the office of the Company’s Share Transfer Agent in Singapore, Tricor Barbinder Share Registration Services (A division of Tricor Singapore Pte Ltd) at 80 Robinson Road, #02-00, Singapore 068898 not later than 48 hours before the time appointed for the Annual General Meeting.
4. If a Shareholder who has Shares entered against his name in the Depository Register and Shares registered in his name in the Register of Members is unable to attend the Annual General Meeting and wishes to appoint a proxy, he should use the Depositor Proxy Form and the Member Proxy Form for, respectively, the Shares entered against his name in the Depository Register and Shares registered in his name in the Register of Members.
5. A Depositor who is an individual and who wishes to attend the Annual General Meeting in person need not take any further action and can attend and vote at the Annual General Meeting as CDP’s proxy without the lodgement of any proxy form.

NOTICE OF ANNUAL GENERAL MEETING

PERSONAL DATA PRIVACY

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

DISCLOSURE OF INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Mr Leow Yong Kin and Mr Lam Chik Tsan are the Directors seeking re-election at the forthcoming Annual General Meeting of the Company to be convened on 23 April 2019 (“AGM”) (collectively, the “Retiring Directors” and each a “Retiring Director”).

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

	Lam Chik Tsan	Leow Yong Kin
Date of Appointment	25 September 2015	2 April 2019
Date of last re-appointment (if applicable)	25 April 2016	N/A
Age	44	48
Country of principal residence	Hong Kong	Singapore
The Board’s comments on this appointment (including rationale, selection criteria, and the search and nomination process)	Please refer to the Corporate Governance section in the Company’s 2018 Annual Report	Please refer to the Corporate Governance section in the Company’s 2018 Annual Report
Whether appointment is executive, and if so, the area of responsibility	Executive. Overall planning of the business direction and development of the Group.	Non-Executive
Job Title	Executive Chairman and Group Chief Executive Officer	Non-Executive and Independent Director. Chairman of the Audit Committee, Nominating Committee and Remuneration Committee
Working experience and occupation(s) during the past 10 years	Please refer to the Board of Directors section in the Company’s 2018 Annual Report	Please refer to the Board of Directors section in the Company’s 2018 Annual Report
Shareholding interest in the listed issuer and its subsidiaries	Mr Lam is deemed to be interested in the 774,537,355 ordinary shares in the Company held by C&G Holdings (Hong Kong) Limited	Nil

DISCLOSURE OF INFORMATION ON DIRECTORS SEEKING RE-ELECTION

	Lam Chik Tsan	Leow Yong Kin
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 interest (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
Other Principal Commitments Including Directorships		
Past (for the last 5 years)	Executive Director of C&G Trading (Hong Kong) Limited Executive Director of Toptex Investment (Hong Kong) Limited	Independent Director of China Taisan Technology Group Holdings Limited Independent Director of China Star Food Group Limited
Present	Executive Director of C&G Holdings (Hong Kong) Limited Executive Director of Xiamen C&G Group Company Limited	Director of AccountsPro Consulting Services Non-Executive Lead Independent Director of Raffles Infrastructure Holdings Limited Independent Director of China Sports International Ltd

DISCLOSURE OF INFORMATION ON DIRECTORS SEEKING RE-ELECTION

	Lam Chik Tsan	Leow Yong Kin
<p><i>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.</i></p>		
<p>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?</p>	No	No
<p>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?</p>	No	No

DISCLOSURE OF INFORMATION ON DIRECTORS SEEKING RE-ELECTION

	Lam Chik Tsan	Leow Yong 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

DISCLOSURE OF INFORMATION ON DIRECTORS SEEKING RE-ELECTION

	Lam Chik Tsan	Leow Yong Kin
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

	Lam Chik Tsan	Leow Yong Kin
<p>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?</p>	No	No
<p>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?</p>	No	No
<p>j) Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of:–</p> <p>(i) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or</p>	No	No

DISCLOSURE OF INFORMATION ON DIRECTORS SEEKING RE-ELECTION

	Lam Chik Tsan	Leow Yong Kin
<p>(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</p> <p>(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</p> <p>(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 in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?</p>		

DISCLOSURE OF INFORMATION ON DIRECTORS SEEKING RE-ELECTION

	Lam Chik Tsan	Leow Yong 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?	No	No