

**SEQUOIA GROUP PTE. LTD.**

*(Incorporated in Singapore, Registration Number: 200612431W)*

**FINANCIAL STATEMENTS**

*For the financial year ended 31 December 2019*

**SEQUOIA GROUP PTE. LTD.**

*(Incorporated in Singapore, Registration Number: 200612431W)*

**FINANCIAL STATEMENTS**

*For the financial year ended 31 December 2019*

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**SEQUOIA GROUP PTE. LTD.**  
**(REGISTRATION NUMBER: 200612431W)**  
**DIRECTORS' STATEMENT**  
*For the financial year ended 31 December 2019*

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The directors present their statement to the member together with the unaudited financial statements of the Company for the financial period ended 31 December 2019.

In the opinion of the directors, the financial statements are drawn up so as to give a true and fair view of the financial position of the Company as at 31 December 2019, and the financial performance, changes in equity and cash flows of the Company for the financial year then ended and at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts when they fall due.

**Directors**

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

Tan Shang How  
Wong Yit Yeng (Huang Yueying)

**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 object was to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

**Directors' interests in shares or debentures**

The directors holding office at the end of the financial year had no interest in the share capital and debentures of the Company and related corporations as recorded in the register of directors' shareholdings kept by the Company under Section 164 of the Singapore Companies Act, except as follows:

	<b>Direct interest</b>	
	<b>At 01 January 2019</b>	<b>At 31 December 2019</b>
<i>Ordinary shares</i>		
Tan Shang How	150,000	150,000
Wong Yit Yeng (Huang Yueying)	150,000	150,000

**SEQUOIA GROUP PTE. LTD.**  
**(REGISTRATION NUMBER: 200612431W)**

*For the financial year ended 31 December 2019*

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**Share options**

There were no options granted during the financial year to subscribe for unissued shares of the Company.

No shares have been issued during the financial year by virtue of the exercise of options to take up unissued shares of the Company.

There were no unissued shares of the Company under option at the end of the financial year.



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Tan Shang How  
Director



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Wong Yit Yeng (Huang Yueying)  
Director

Signed on

**0 8 SEP 2020**

**SEQUOIA GROUP PTE. LTD.**  
**(REGISTRATION NUMBER: 200612431W)**  
**STATEMENT OF COMPREHENSIVE INCOME**  
*For the financial year ended 31 December 2019*

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	Note	2019 S\$	2018 S\$
Revenue	3	2,248,008	2,475,973
Cost of sales		<u>(1,255,588)</u>	<u>(1,145,336)</u>
Gross profit		992,420	1,330,637
Other income	4	63,521	94,508
Administrative expenses		(577,026)	(1,120,402)
Other operating expenses		(97,665)	(80,664)
Finance costs	7	<u>(33,900)</u>	<u>(24,120)</u>
<b>Profit before tax</b>		347,350	199,959
Income tax expense	8 (a)	(34,886)	(68,392)
<b>Net profit, representing total comprehensive income for the year attributable to owners of the Company</b>		<u>312,464</u>	<u>131,567</u>

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

**SEQUOIA GROUP PTE. LTD.**  
**(REGISTRATION NUMBER: 200612431W)**  
**STATEMENT OF FINANCIAL POSITION**  
*As at 31 December 2019*

	Note	2019 S\$	2018 S\$
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	9	1,907,703	1,496,664
Trade and other receivables	10	174,190	312,295
		<u>2,081,893</u>	<u>1,808,959</u>
<b>Non-current assets</b>			
Property, plant and equipment	11	1,677,255	1,687,651
Right-of-use assets	12	76,720	-
		<u>1,753,975</u>	<u>1,687,651</u>
<b>Total assets</b>		<u>3,835,868</u>	<u>3,496,610</u>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Trade and other payables	13	818,508	762,782
Bank borrowings	14	65,662	65,340
Lease liabilities	15	77,150	-
Provision for income tax	8 (b)	74,264	117,468
		<u>1,035,584</u>	<u>945,590</u>
<b>Non-current liabilities</b>			
Bank borrowings	14	946,294	1,012,631
Lease liabilities	15	3,137	-
		<u>949,431</u>	<u>1,012,631</u>
<b>Total liabilities</b>		<u>1,985,015</u>	<u>1,958,221</u>
<b>NET ASSETS</b>		<u>1,850,853</u>	<u>1,538,389</u>
<b>SHAREHOLDERS' EQUITY</b>			
Share capital	16	300,000	300,000
Retained earnings		1,550,853	1,238,389
<b>Total equity</b>		<u>1,850,853</u>	<u>1,538,389</u>

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

**SEQUOIA GROUP PTE. LTD.**  
**(REGISTRATION NUMBER: 200612431W)**  
**STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY**  
*For the financial year ended 31 December 2019*

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	<u>Share capital</u> S\$	<u>Retained earnings</u> S\$	<u>Total</u> S\$
Balance at 01 January 2018	300,000	1,106,822	1,406,822
Total comprehensive income for financial year	-	131,567	131,567
<b>Balance at 31 December 2018</b>	<b>300,000</b>	<b>1,238,389</b>	<b>1,538,389</b>
Total comprehensive income for financial year	-	312,464	312,464
<b>Balance at 31 December 2019</b>	<b>300,000</b>	<b>1,550,853</b>	<b>1,850,853</b>

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

**SEQUOIA GROUP PTE. LTD.**  
**(REGISTRATION NUMBER: 200612431W)**  
**STATEMENT OF CASH FLOWS**  
*For the financial year ended 31 December 2019*

	Note	2019 S\$	2018 S\$
<b>Cash flows from operating activities</b>			
Profit before tax		347,350	199,959
Adjustments for:			
Depreciation of plant and equipment		11,160	11,697
Depreciation of right of use asset		71,026	-
Loan interest		21,910	24,120
Lease interest		11,990	-
Operating profit before working capital change		<u>463,436</u>	<u>235,776</u>
Changes in working capital:			
Trade and other receivables		138,105	(10,555)
Trade and other payables		55,726	132,087
Cash generate from operations		<u>657,267</u>	<u>357,308</u>
Income tax paid		<u>(78,090)</u>	<u>(11,173)</u>
Net cash inflow from operating activities		<u>579,177</u>	<u>346,135</u>
<b>Cash flows from investing activities</b>			
Purchase of plant and equipment		<u>(764)</u>	<u>(713)</u>
<b>Net cash outflow from investing activities</b>		<u>(764)</u>	<u>(713)</u>
<b>Cash flows from financing activities</b>			
Repayment of bank borrowings		(66,015)	(89,146)
Lease payments		<u>(101,359)</u>	-
<b>Net cash outflow from financing activities</b>		<u>(167,374)</u>	<u>(89,146)</u>
<b>Net changes in cash and cash equivalents</b>			
Cash and cash equivalents at beginning of the financial year	9	<u>1,496,664</u>	<u>1,240,388</u>
<b>Cash and cash equivalents at end of the financial year</b>	9	<u>1,907,703</u>	<u>1,496,664</u>

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



**SEQUOIA GROUP PTE. LTD.**  
**(REGISTRATION NUMBER: 200612431W)**  
**NOTES TO THE FINANCIAL STATEMENTS**  
*For the financial year ended 31 December 2019*

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

**1. General**

Sequoia Group Pte. Ltd. (the "Company") is incorporated and domiciled in the Republic of Singapore. The address of its registered office is as follows: 420 North Bridge Road #05-39/40 North Bridge Centre Singapore 188727.

The principal activities of the Company are those of management consultancy services. There has been no change in the principal activities of the Company during the year.

**2. Significant accounting policies**

(a) Basis of preparation

The financial statements have been prepared in accordance with the historical cost basis except as disclosed in the accounting policies below, and are drawn up in accordance with the provisions of the Singapore Companies Act and Singapore Financial Reporting Standards ("FRS").

These financial statements are presented in Singapore Dollars, which is the Company's functional currency. All financial information presented in Singapore Dollars has been rounded to the nearest dollars, unless otherwise stated.

The preparation of financial statements in conformity with FRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may ultimately differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

*Interpretations and amendments to published standards effective in 2019*

On 01 January 2019, the Company adopted the new and revised FRS and Interpretations to FRS ("INT FRS") that are effective from that date and are relevant to its operations. The adoption of these new/revised FRS and INT FRS does not result in changes to the Company's accounting policies and has no material effect on the amounts reported for the current or prior years.

**2. Significant accounting policies (continued)**

**(b) Adoption of new and amended standards and interpretations**

The accounting policies adopted are consistent with those of the previous financial year except that in the current financial year, the Company has adopted all the new and amended standards which are relevant to the Company and are effective for annual financial periods beginning on or after 1 January 2019. Except for the adoption of FRS 116 Leases described below, the adoption of these standards did not have any material effect on the financial performance or position of the Company.

**FRS 116 Leases**

FRS 116 supersedes FRS 17 Leases. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to recognise most leases on the statement of financial position.

The Company adopted FRS 116 using the modified retrospective method of adoption with the date of initial application of 1 January 2019. Under this method, the standard is applied retrospectively with the cumulative effect of initially applying the standard recognised at the date of initial application as an adjustment to the opening balance of retained earnings. The Company elected to use the transition practical expedient to not reassess whether a contract is, or contains a lease at 1 January 2019. Instead, the Company applied the standard only to contracts that were previously identified as leases applying FRS at the date of initial application.

The Company has lease contracts for buildings unit and motor vehicle. Before the adoption of FRS 116, the Company classified each of its leases (as lessee) at the inception date as either a finance lease or an operating lease. The accounting policy prior to 1 January 2019 is disclosed in Note 2(I).

Upon adoption of FRS 116, the Company applied a single recognition and measurement approach for all leases except for short-term leases and leases of low-value assets. The accounting policy beginning on and after 1 January 2019 is disclosed in Note 2(I). The standard provides specific transition requirements and practical expedients, which have been applied by the Company.

**i. Leases previously classified as finance leases**

The Company did not change the initial carrying amounts of recognised assets and liabilities at the date of initial application for leases previously classified as finance leases (i.e. the right-of-use assets and lease liabilities equal the lease assets and liabilities recognised under FRS 17). The requirements of FRS 116 were applied to these leases from 1 January 2019.

**SEQUOIA GROUP PTE. LTD.**  
**(REGISTRATION NUMBER: 200612431W)**  
**NOTES TO THE FINANCIAL STATEMENTS**  
*For the financial year ended 31 December 2019*

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**2. Significant accounting policies (continued)**

(b) Adoption of new and amended standards and interpretations (continued)

- ii. Leases previously accounted for as operating leases  
The Company recognised right-of-use assets and lease liabilities for those leases previously classified as operating leases, except for short-term leases and leases of low-value assets. The right-of-use assets for the leases were recognised based on the carrying amount as if the standard had always been applied, using the incremental borrowing rate at the date of initial application. Lease liabilities were recognised based on the present value of the remaining lease payments, discounted using the incremental borrowing rate at the date of initial application.
- iii. Financial impact of initial application of FRS 116  
The lessee's average effective interest rates applied to the lease liabilities recognised in the statement of financial position on January 1, 2019 is 5.25%.

The following table shows the operating lease commitments disclosed applying FRS 17 at January 1, 2019, discounted using the incremental borrowing rate at the date of initial application and the lease liabilities recognised in the statement of financial position at the date of initial application.

	2019 S\$
Operating lease commitments at January 1, 2019	165,265
Less: Discounted using company's borrowing rate	<u>(17,519)</u>
Lease liabilities recognised at January 1, 2019	<u>147,746</u>

(c) Revenue recognition

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

Revenue is recognised when the Company satisfies a performance obligation by transferring a promised good or service to the customer, which is when the customer obtains control of the good or service. The Company has generally concluded that it is the principal in its revenue arrangements because it typically controls the goods or services before transferring them to the customer.

**2. Significant accounting policies (continued)**

(d) Plant and equipment

All plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses where the recoverable amount of assets is estimated to be lower than its carrying cost.

Depreciation is calculated on a straight line basis to write off the cost of plant and equipment over their expected useful lives. The estimated useful lives are as follows:

Computer and peripherals	3 Years
Furniture and fitting	5 Years
Office equipment	5 Years
Renovation	5 Years
Leasehold property	50 Years

The residual values and useful lives of plant and equipment are reviewed, and adjusted as appropriate, at each balance sheet date. The effects of any revision of the residual values and useful lives are included in the profit or loss for the financial year in which the changes arise.

*Subsequent expenditure*

Subsequent expenditure relating to plant and equipment that has already been recognised is added to the carrying amount of the asset when it is probable that future economic benefits, in excess of the originally assessed standard of performance of the existing asset, will flow to the Company and the cost can be reliably measured. Other subsequent expenditure is recognised as an expense during the financial year in which it is incurred.

*Disposal*

On disposal of a plant and equipment, the difference between the net disposal proceeds and its carrying amount is taken to the profit or loss.

**2. Significant accounting policies (continued)**

(e) Impairment of non-financial assets

Non-financial assets are reviewed for impairment at each balance sheet date or whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Whenever the carrying amount of an asset exceeds its recoverable amount, an impairment loss is recognised in the profit or loss.

Reversal of impairment losses recognised in prior years is recorded when there is an indication that the impairment losses recognised for the asset no longer exist or have decreased. The reversal is recorded in income. However, the increased carrying amount of an asset due to a reversal of an impairment loss is recognised to the extent it does not exceed the carrying amount that would have been determined (net of amortisation or depreciation) had no impairment loss been recognised for that asset in prior years.

(f) Financial assets

Initial recognition and measurement

Financial assets are recognised when, and only when the entity becomes party to the contractual provisions of the instruments.

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

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

**2. Significant accounting policies (continued)**

(f) Financial assets (continued)

Subsequent measurement

*Debt instruments*

Debt instruments mainly comprise of cash and cash equivalents and trade and other receivables.

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the contractual cash flow characteristics of the asset. The three measurement categories for classification of debt instruments are amortised cost, fair value through other comprehensive income (FVOCI) and FVPL. The Company only has debt instruments at amortised cost.

Derecognition

A financial asset is derecognised where the contractual right to receive cash flows from the asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognised in other comprehensive income for debt instruments is recognised in profit or loss.

(g) Impairment of financial assets

The Company assesses on a forward looking basis the expected credit losses associated with its debt financial assets carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables, lease receivables and contract assets, the Company applies the simplified approach which requires expected lifetime losses to be recognised from initial recognition of the receivables.

The Company has not recognised loss allowance at year end.

**2. Significant accounting policies (continued)**

(h) Financial liabilities

Financial liabilities are recognised on the balance sheet when, and only when, the Company becomes a party to the contractual provisions of the financial instrument.

Financial liabilities are classified as either financial liabilities at “fair value through profit or loss” (FVTPL) or “other financial liabilities”.

Financial liabilities at FVTPL

Financial liabilities at FVTPL are initially measured at fair value and subsequently stated at fair value, with any resultant gain or loss recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability and is included in the “other income/other expense” line in statement of profit or loss and other comprehensive income.

The Company has not designated any financial liabilities upon initial recognition at fair value through profit or loss.

Other financial liabilities

Trade and other payables represent liabilities for goods and services provided to the Company prior to the end of the financial period which are unpaid. They are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business is longer). If not, they are presented as non-current liabilities.

Trade and other payables are initially recognised at fair value, and subsequently carried at amortised cost, using the effective interest method.

Borrowings

Borrowings are presented as current liabilities unless the Company has an unconditional right to defer settlement for at least 12 months after the balance sheet date, in which case they are presented as non-current liabilities.

**2. Significant accounting policies (continued)**

(h) Financial liabilities (continued)

Borrowings are initially recognized at fair value (net of transactions costs) and subsequently carried at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognized in profit or loss over the period of the borrowings using the effective interest method.

*Derecognition of financial liabilities*

A financial liability is derecognised when the obligation under the liability is extinguished.

(i) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

(j) Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents comprise cash at banks and on hand which are subject to an insignificant risk of changes in value.

(k) Provisions

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

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.



**2. Significant accounting policies (continued)**

(l) Share capital

Ordinary shares are classified as equity.

(m) Fair value estimation

The carrying amounts of current financial assets and liabilities, carried at amortised cost, are assumed to approximate their fair values.

(n) Leases

i. Leases (From January 1, 2019)

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

**Right-of-use assets**

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

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment. The accounting policy for impairment is disclosed in Note 2(e).

2. **Significant accounting policies (continued)**

(n) Leases (continued)

**Lease liabilities**

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g. changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

i. Leases (Before January 1, 2019)

Leases - Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets of the Company at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the statement of financial position as a finance lease obligation. Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly to profit or loss.

Rentals payable under operating leases are charged to profit or loss on a straight-line basis over the term of the relevant lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

**2. Significant accounting policies (continued)**

(o) Taxes

(i) *Current income tax*

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the end of the reporting period.

Current taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

(ii) *Sales tax*

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

- Where the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the sales tax is recognised as part of the cost acquisition of the asset or as part of the expense item as applicable; and
- Receivables and payables that are stated within the amount of sales tax included.

The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

**SEQUOIA GROUP PTE. LTD.**  
**(REGISTRATION NUMBER: 200612431W)**  
**NOTES TO THE FINANCIAL STATEMENTS**  
*For the financial year ended 31 December 2019*

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**2. Significant accounting policies (continued)**

(p) Employee benefits

*Defined contribution plans*

The Company makes contributions to the Central Provident Fund scheme in Singapore ("CPF"), a defined contribution plan. Contributions to CPF are charged to profit or loss in the period in which the related service is performed.

*Employee leave entitlement*

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

**3. Revenue**

Revenue represents net invoice sales to customers in the normal course of business.

**4. Other income**

	2019 S\$	2018 S\$
Cash rebate	134	237
Fixed deposit interest income	-	303
Other income	88	51
Rental income	60,391	61,072
Special employment credit	990	-
Temporary employment credit	-	905
Wages credit scheme	1,918	2,634
Work life grant	-	29,306
	<u>63,521</u>	<u>94,508</u>

**SEQUOIA GROUP PTE. LTD.**  
**(REGISTRATION NUMBER: 200612431W)**  
**NOTES TO THE FINANCIAL STATEMENTS**  
*For the financial year ended 31 December 2019*

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**5. Expenses by nature**

	2019 S\$	2018 S\$
Accounting fees	3,400	3,162
Advertising	-	9,600
Casual wages	-	15,670
Bank charges	993	790
Depreciation expenses	11,160	11,697
Depreciation of ROU	71,026	-
Dues & subscriptions	1,470	2,776
Entertainment	5,713	10,591
General expenses	250	659
Gift and donations	526	1,036
Insurance	10,168	379,420
Internet charges	9,679	3,322
Medical fees	13,224	1,787
Office maintenance	9,537	9,864
Penalty & fines	30	24
Property expenses	1,146	-
Property tax	5,465	6,753
Postage & courier	1,453	3,009
Printing & stationery	14,621	24,214
Private car expenses	265	9,855
Refreshment	2,655	2,401
Rental	3,294	85,482
Secretarial fees	627	624
Staff cost (note 6)	489,007	565,287
Stamp duty	712	-
Staff welfare	239	350
Tax advisory fee	800	744
Telephone	2,629	5,144
Training cost	4,063	7,864
Transportation	8,695	17,021
Travelling expenses	-	20,181
Utilities	1,844	1,739
Total administrative and other operating expenses	674,691	1,201,066

**SEQUOIA GROUP PTE. LTD.**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
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**6. Staff costs**

	2019 S\$	2018 S\$
Directors' remuneration	89,700	89,700
Director CPF	13,413	13,413
Foreign worker salary and bonus	82,150	69,276
Foreign worker levy	3,104	7,800
Staff salaries & bonus	212,189	260,963
Staff CPF	37,300	42,943
Staff commission	50,503	80,463
Skill development levy	648	729
	<u>489,007</u>	<u>565,287</u>

**7. Finance costs**

	2019 S\$	2018 S\$
Loan interest	21,910	24,120
Lease interest	11,990	-
	<u>33,900</u>	<u>24,120</u>

**8. Income tax**

(a) Income tax expense

	2019 S\$	2018 S\$
Tax expense attributable to profit is made up of:		
Current income tax	34,886	65,414
Prior year's tax under provision	-	2,978
	<u>34,886</u>	<u>68,392</u>

**SEQUOIA GROUP PTE. LTD.**  
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**8. Income tax (continued)**

(a) Income tax expense (continued)

The tax expense on profit differs from the amount that would arise using the Singapore standard rate of income tax due to the following:

	2019 S\$	2018 S\$
Profit before tax	347,350	199,959
Tax calculated at a tax rate of 17%	59,050	33,993
Income not subject to tax	(10,281)	-
Separate source of income	2,401	-
Expenses not deductible for tax purposes	12,909	68,169
Utilization of capital allowance	(130)	(36,748)
Utilization of S14Q	(9)	-
Singapore statutory stepped income tax exemption	(17,425)	-
Income tax rebate	(11,629)	-
Prior year's tax under provision	-	2,978
	<u>34,886</u>	<u>68,392</u>

(b) Movements in provision for taxation

	2019 S\$	2018 S\$
At the beginning of the financial year	117,468	60,249
Income tax paid	(78,090)	(11,173)
Current year income tax expense	34,886	65,414
Prior year's tax under provision	-	2,978
At the end of the financial year	<u>74,264</u>	<u>117,468</u>

**SEQUOIA GROUP PTE. LTD.**  
**(REGISTRATION NUMBER: 200612431W)**  
**NOTES TO THE FINANCIAL STATEMENTS**  
*For the financial year ended 31 December 2019*

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**9. Cash and cash equivalents**

	2019 S\$	2018 S\$
Bank fixed deposit	398,491	402,891
Cash at bank	1,509,212	1,093,773
	<u>1,907,703</u>	<u>1,496,664</u>

The carrying amounts of cash and cash equivalents approximate their fair value.

**10. Trade and other receivables**

	2019 S\$	2018 S\$
Trade debtor	132,549	289,527
Deposit with others	13,843	13,803
Prepayments	12,341	6,255
Amount due from director	1,770	1,010
Amount due from related party	13,687	1,700
	<u>174,190</u>	<u>312,295</u>

Trade receivables are non-interest bearing and are generally on 30-day term. They are recognized at their original invoice amounts which represent their fair values on initial recognition.

The ageing of trade receivables at the reporting date was:

	Gross 2019 S\$	Gross 2018 S\$
Not past due 0 - 30 days	888	-
Past due 31 - 60 days	803	133,035
Past due 61 - 90 days	64,478	45,449
More than 90 days	66,380	111,043
	<u>132,549</u>	<u>289,527</u>

Based on historic default rates, the Company believes that no impairment allowance is necessary in respect of trade receivables not past due or past due by up to 30 days, the balance relates to customers that have a good payment record with the company.

The non-trade amount due from director/ related party is unsecured, interest free repayable on demand.

The carrying amounts of trade and other receivables approximate their fair value.

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**SEQUOIA GROUP PTE. LTD.**  
**(REGISTRATION NUMBER: 200612431W)**  
**NOTES TO THE FINANCIAL STATEMENTS**  
*For the financial year ended 31 December 2019*

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**11. Plant and equipment**

<i>Cost</i>	<u>01.01.2019</u>	<u>Additions</u>	<u>31.12.2019</u>
	S\$	S\$	S\$
Computer and peripherals	158,672	-	158,672
Furniture and fitting	12,262	-	12,262
Office equipment	16,961	764	17,725
Renovation	34,379	-	34,379
Leasehold property	1,675,000	-	1,675,000
<b>Total</b>	<b>1,897,274</b>	<b>764</b>	<b>1,898,038</b>
<i>Accumulated depreciation</i>			
Computer and peripherals	155,506	3,165	158,671
Furniture and fitting	10,708	835	11,543
Office equipment	14,608	1,641	16,249
Renovation	28,801	5,519	34,320
Leasehold property	-	-	-
<b>Total</b>	<b>209,623</b>	<b>11,160</b>	<b>220,783</b>
<i>Net carrying amount</i>			
Computer and peripherals	3,166		1
Furniture and fitting	1,554		719
Office equipment	2,353		1,476
Renovation	5,578		59
Leasehold property	1,675,000		1,675,000
<b>Total</b>	<b>1,687,651</b>		<b>1,677,255</b>

**SEQUOIA GROUP PTE. LTD.**  
**(REGISTRATION NUMBER: 200612431W)**  
**NOTES TO THE FINANCIAL STATEMENTS**  
*For the financial year ended 31 December 2019*

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**11. Plant and equipment (continued)**

<i>Cost</i>	<u>01.01.2018</u>	<u>Additions</u>	<u>31.12.2018</u>
	S\$	S\$	S\$
Computer and peripherals	158,672	-	158,672
Furniture and fitting	11,826	436	12,262
Office equipment	16,684	277	16,961
Renovation	34,379	-	34,379
Leasehold property	1,675,000	-	1,675,000
<b>Total</b>	<b>1,896,561</b>	<b>713</b>	<b>1,897,274</b>
<i>Accumulated depreciation</i>			
Computer and peripherals	151,928	3,578	155,506
Furniture and fitting	9,731	977	10,708
Office equipment	12,985	1,623	14,608
Renovation	23,282	5,519	28,801
Leasehold property	-	-	-
<b>Total</b>	<b>197,926</b>	<b>11,697</b>	<b>209,623</b>
<i>Net carrying amount</i>			
Computer and peripherals	6,744		3,166
Furniture and fitting	2,095		1,554
Office equipment	3,699		2,353
Renovation	11,097		5,578
Leasehold property	1,675,000		1,675,000
<b>Total</b>	<b>1,698,635</b>		<b>1,687,651</b>

**SEQUOIA GROUP PTE. LTD.**  
**(REGISTRATION NUMBER: 200612431W)**  
**NOTES TO THE FINANCIAL STATEMENTS**  
*For the financial year ended 31 December 2019*

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**12. Right-of-use assets**

The Company leases leasehold premise. The remaining lease term for leasehold premise is S\$147,746 as at beginning of January 01, 2019.

	Leasehold <u>building</u> S\$	<u>Total</u> S\$
<i>Cost</i>		
At 01 January 2019 (Adoption of FRS 116 Leases)	-	-
Additions	147,746	147,746
At 31 December 2019	<u>147,746</u>	<u>147,746</u>
<i>Accumulated depreciation</i>		
At 01 January 2019 (Adoption of FRS 116 Leases)	-	-
Depreciation charge	71,026	71,026
At 31 December 2019	<u>71,026</u>	<u>71,026</u>
<i>Carrying amount</i>		
At 31 December 2019	<u>76,720</u>	<u>76,720</u>

**13. Trade and other payables**

	2019 S\$	2018 S\$
Trade creditor	753,150	703,150
Deposit from customer	20,146	19,026
Accruals	21,580	19,519
GST payables	23,632	21,087
	<u>818,508</u>	<u>762,782</u>

Trade payables are noninterest-bearing and are normally settled on a 30 to 60 days' term.

Accruals pertain to accrued and unpaid administrative expenses which are normally settled within the next financial year.

The carrying amounts of trade and other payables approximate their fair value.

**SEQUOIA GROUP PTE. LTD.**  
**(REGISTRATION NUMBER: 200612431W)**  
**NOTES TO THE FINANCIAL STATEMENTS**  
*For the financial year ended 31 December 2019*

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**14. Bank borrowings**

	2019 S\$	2018 S\$
Term loan	<u>1,011,956</u>	<u>1,077,971</u>

The borrowings are repayable as follows:

	2019 S\$	2018 S\$
Within one year	65,662	65,340
Within two to five years	262,647	261,360
More than five years	<u>683,647</u>	<u>751,271</u>
	<u>1,011,956</u>	<u>1,077,971</u>

The carrying amounts of borrowings approximate their fair values.

(a) Security granted

The term loan with a financial institution of the Company is secured by the Company's property and personal guarantees from director.

(b) Interest rate risks

The weighted average effective interest rate at the balance sheet date is approximately 3.18% p.a.

(c) Carrying amounts and fair values

The carrying amounts of current and non-current term loan approximate their fair values.

SEQUOIA GROUP PTE. LTD.  
(REGISTRATION NUMBER: 200612431W)  
NOTES TO THE FINANCIAL STATEMENTS  
*For the financial year ended 31 December 2019*

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**15. Lease liabilities**

	2019 S\$
Maturity analysis:	
Within 1 year	82,633
Within 2 to 5 years	<u>3,184</u>
	85,817
Less: Unearned interest	<u>(5,530)</u>
	<u>80,287</u>
	2019 S\$
Analyzed as:	
<i>Current</i>	
Lease liabilities (rental agreement)	<u>77,150</u>
<i>Non-current</i>	
Lease liabilities (rental agreement)	<u>3,137</u>
Total lease liabilities	<u>80,287</u>

Lease liabilities (rental agreement)

The weighted average lessee's incremental borrowing rate applied to the lease liabilities is 5.25%.

The Company does not face a significant liquidity risk with regard to its lease liabilities.

**SEQUOIA GROUP PTE. LTD.**  
**(REGISTRATION NUMBER: 200612431W)**  
**NOTES TO THE FINANCIAL STATEMENTS**  
*For the financial year ended 31 December 2019*

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**16. Share capital**

Issued and fully paid ordinary share capital

	2019		2018	
	No. of shares	S\$	No. of shares	S\$
At beginning and end of the financial year	<u>300,000</u>	<u>300,000</u>	<u>300,000</u>	<u>300,000</u>

The holder of ordinary shares is entitled to receive dividends as and when declared by the Company. Each ordinary share carries one vote without restriction. The ordinary shares have no par value.

**17. Capital management**

The primary objective of the Company's capital management is to safeguard the Company's ability as a going concern and to provide adequate cash flow to meet its operating requirements.

The Company manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholder, return capital to shareholders or issue new shares. No changes were made to the objectives, policies or processes during the year ended 31 December 2019. The Company is not subject to any externally imposed capital requirement and the capital of the Company comprises all components of shareholder's equity.

**SEQUOIA GROUP PTE. LTD.**  
**(REGISTRATION NUMBER: 200612431W)**  
**NOTES TO THE FINANCIAL STATEMENTS**  
*For the financial year ended 31 December 2019*

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**18. Financial instruments and financial risk management**

(a) *Categories of financial instruments*

The following table sets out the financial instruments as at the balance sheet date:

	2019 S\$	2018 S\$
<b>Financial assets</b>		
Cash and cash equivalents	1,907,703	1,496,664
Trade and other receivables	161,849	306,040
	<u>2,069,552</u>	<u>1,802,704</u>

	2019 S\$	2018 S\$
<b>Financial liabilities</b>		
Trade and other payables	818,508	762,782
Bank borrowings	1,011,956	1,077,971
Lease liabilities	80,287	-
	<u>1,910,751</u>	<u>1,840,753</u>

(b) *Financial risk factors*

The Company is exposed to financial risks arising from its operations and the use of financial instruments. The key financial risks include credit risk, liquidity risk, interest rate risk and foreign currency risk. Risk management is determined and carried out by the directors of the company.

(i) *Foreign currency risk*

At the reporting date, there are no monetary assets and monetary liabilities denominated in currencies other than the Company's functional currency. Hence, the Company is not exposed to foreign currency risk.

(ii) *Interest rate risk*

The Company's exposure to market risk for changes in interest rates relate primarily to its debt obligations. The Company does not use derivative financial instruments to hedge its debt obligations. The increase or decrease in interest rate for bank term loans, if any does not have any significant impact to the financial statements.

**SEQUOIA GROUP PTE. LTD.**  
**(REGISTRATION NUMBER: 200612431W)**  
**NOTES TO THE FINANCIAL STATEMENTS**  
*For the financial year ended 31 December 2019*

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**18. Financial instruments and financial risk management (continued)**

*(b) Financial risk factors (continued)*

*(iii) Credit risk*

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations.

The carrying amount of financial assets as indicated primarily in the balance sheet, net of any allowances for losses, represent the Company's maximum exposure to credit risk in relation to each class of recognised financial assets.

*(iv) Liquidity risk*

The Company maintains sufficient cash and cash equivalents, and internally generated cash flows to finance their activities. Management finances the Company's liquidity through internally generated cash flows and minimizes liquidity risk by obtaining personal funding from the directors. Management expects that the Company does not have undue liquidity risk.

The table below summarises the maturity profile of the Company's financial liabilities at the balance sheet date based on contractual undiscounted payments.

	On demand or within 1 year S\$	Within 2 to 5 years S\$	More than 5 years S\$	Total S\$
2019				
Trade and other payables	818,508	-	-	818,508
Bank borrowings	65,662	262,647	683,647	1,011,956
Lease liabilities	77,150	3,137	-	80,287
	<u>961,320</u>	<u>265,784</u>	<u>683,647</u>	<u>1,910,751</u>
2018				
Trade and other payables	762,782	-	-	762,782
Bank borrowings	65,340	261,360	751,271	1,077,971
	<u>828,122</u>	<u>261,360</u>	<u>751,271</u>	<u>1,840,753</u>



**19. Fair values of financial instruments**

*Fair values*

The fair value of a financial instrument is the amount at which the instrument could be exchanged or settled between knowledgeable and willing parties in an arm's length transaction, other than in a forced or liquidation sale.

*Financial instruments whose carrying amount approximate fair value*

Management has determined that the carrying amount of cash and cash equivalents, current trade and other receivables and current trade and other payables based on their notional amounts, are reasonable approximate of their fair values because these are mostly short-term in nature or are repriced frequently.

*Interest-bearing bank loans*

The carrying amounts of the term loans also approximate fair value as it is subject to floating interest rates which in turn approximate the current market interest rate for similar loan at balance sheet date.

*Lease liabilities*

The carrying amount of the company's lease liabilities approximates its fair value.

**20. Authorisation of financial statements**

These financial statements were authorized for issue in accordance with a resolution of the directors of Sequoia Group Pte. Ltd. on the date of the Directors' Statement.

SEQUOIA GROUP PTE. LTD.  
(REGISTRATION NUMBER: 200612431W)  
DETAILED PROFIT AND LOSS STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2019

	2019 S\$
<b>Sales</b>	2,248,008
<b>Less: Cost of sales</b>	<u>(1,255,588)</u>
<b>Gross profit</b>	992,420
<b>Other income</b>	
Cash rebate	134
Other income	88
Rental income	60,391
Special employment credit	990
Wages credit scheme	1,918
	<u>63,521</u>
<b>Expenses</b>	
Accounting fees	3,400
Bank charges	993
Depreciation expenses	11,160
Depreciation of ROU	71,026
Dues & subscriptions	1,470
Entertainment	5,713
General expenses	250
Gift and donations	526
Insurance	10,168
Internet charges	9,679
Loan interest	21,910
Lease interest	11,990
Medical fees	13,224
Office maintenance	9,537
Penalty & fines	30
Property expenses	1,146
Property tax	5,465
Postage & courier	1,453
Printing & stationery	14,621
Private car expenses	265
Refreshment	2,655
Rental	3,294
Secretarial fees	627
Directors' remuneration	89,700
Director CPF	13,413
Foreign worker salary and bonus	82,150
Foreign worker levy	3,104
Staff salaries & bonus	212,189
Staff CPF	37,300
Staff commission	50,503
Skill development levy	648
Stamp duty	712
Staff welfare	239
Tax advisory fee	800
Telephone	2,629
Training cost	4,063
Transportation	8,695
Utilities	1,844
	<u>(708,591)</u>
<b>Profit before taxation</b>	<u>\$ 347,350</u>

The above statement does not form part of the statutory financial statements of the Company.

SEQUOIA GROUP PTE. LTD.

*(Incorporated in Singapore, Registration Number: 200612431W)*

FINANCIAL STATEMENTS

*For the financial year ended 31 December 2018*

**SEQUOIA GROUP PTE. LTD.**  
*(Incorporated in Singapore, Registration Number: 200612431W)*

**FINANCIAL STATEMENTS**  
*For the financial year ended 31 December 2018*

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**SEQUOIA GROUP PTE. LTD.**  
**(REGISTRATION NUMBER: 200612431W)**  
**DIRECTORS' STATEMENT**

*For the financial year ended 31 December 2018*

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The directors present their statement to the member together with the unaudited financial statements of the Company for the financial period ended 31 December 2018.

In the opinion of the directors, the financial statements 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 then ended and at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts when they fall due.

**Directors**

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

Tan Shang How  
Wong Yit Yeng (Huang Yueying)

**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 object was to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

**Directors' interests in shares or debentures**

The directors holding office at the end of the financial year had no interest in the share capital and debentures of the Company and related corporations as recorded in the register of directors' shareholdings kept by the Company under Section 164 of the Singapore Companies Act, except as follows:

	<b>Direct interest</b>	
	<b>At 01 January 2018</b>	<b>At 31 December 2018</b>
<i>Ordinary shares</i>		
Tan Shang How	150,000	150,000
Wong Yit Yeng (Huang Yueying)	150,000	150,000

**SEQUOIA GROUP PTE. LTD.**  
**(REGISTRATION NUMBER: 200612431W)**  
**DIRECTORS' STATEMENT**  
*For the financial year ended 31 December 2018*

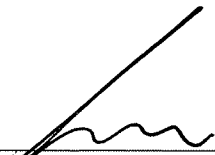
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**Share options**

There were no options granted during the financial year to subscribe for unissued shares of the Company.

No shares have been issued during the financial year by virtue of the exercise of options to take up unissued shares of the Company.

There were no unissued shares of the Company under option at the end of the financial year.



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Tan Shang How  
Director



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Wong Yit Yeng (Huang Yueying)  
Director

Signed on

12 JUN 2019

**SEQUOIA GROUP PTE. LTD.**  
**(REGISTRATION NUMBER: 200612431W)**  
**STATEMENT OF COMPREHENSIVE INCOME**  
*For the financial year ended 31 December 2018*

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	Note	2018 S\$	2017 S\$
Revenue	3	2,475,973	2,107,469
Cost of sales		<u>(1,145,336)</u>	<u>(949,338)</u>
Gross profit		1,330,637	1,158,131
Other income	4	94,508	81,286
Administrative expenses		(1,120,402)	(809,160)
Other operating expenses		(80,664)	(48,213)
Finance costs	7	<u>(24,120)</u>	<u>(36,397)</u>
<b>Profit before tax</b>		199,959	345,647
Income tax expense	8 (a)	(68,392)	(9,714)
<b>Net profit, representing total comprehensive income for the year attributable to owners of the Company</b>		<u>131,567</u>	<u>335,933</u>

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

**SEQUOIA GROUP PTE. LTD.**  
**(REGISTRATION NUMBER: 200612431W)**  
**STATEMENT OF FINANCIAL POSITION**  
*As at 31 December 2018*

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	Note	2018 S\$	2017 S\$
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	9	1,496,664	1,240,388
Trade and other receivables	10	312,295	301,740
		<u>1,808,959</u>	<u>1,542,128</u>
<b>Non-current assets</b>			
Property plant and equipment	11	1,687,651	1,698,635
		<u>1,687,651</u>	<u>1,698,635</u>
<b>Total assets</b>		<u>3,496,610</u>	<u>3,240,763</u>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Trade and other payables	12	762,782	630,695
Bank borrowings	13	65,340	57,965
Provision for income tax	8 (b)	117,468	60,249
		<u>945,590</u>	<u>748,909</u>
<b>Non-current liabilities</b>			
Bank borrowings	13	1,012,631	1,085,032
		<u>1,012,631</u>	<u>1,085,032</u>
<b>Total liabilities</b>		<u>1,958,221</u>	<u>1,833,941</u>
<b>NET ASSETS</b>		<u>1,538,389</u>	<u>1,406,822</u>
<b>SHAREHOLDERS' EQUITY</b>			
Share capital	14	300,000	300,000
Retained earnings		1,238,389	1,106,822
Total equity		<u>1,538,389</u>	<u>1,406,822</u>

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



**SEQUOIA GROUP PTE. LTD.**  
**(REGISTRATION NUMBER: 200612431W)**  
**STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY**  
*For the financial year ended 31 December 2018*

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	<u>Share capital</u> S\$	<u>Retained earnings</u> S\$	<u>Total</u> S\$
Balance at 01 January 2017	300,000	770,889	1,070,889
Total comprehensive income for financial year	-	335,933	335,933
Balance at 31 December 2017	300,000	1,106,822	1,406,822
Total comprehensive income for financial year	-	131,567	131,567
<b>Balance at 31 December 2018</b>	<b>300,000</b>	<b>1,238,389</b>	<b>1,538,389</b>

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

**SEQUOIA GROUP PTE. LTD.**  
**(REGISTRATION NUMBER: 200612431W)**  
**STATEMENT OF CASH FLOWS**  
*For the financial year ended 31 December 2018*

	Note	2018 S\$	2017 S\$
<b>Cash flows from operating activities</b>			
Profit before tax		199,959	345,647
Adjustments for:			
Depreciation of plant and equipment		11,697	15,096
Interest expenses		24,120	36,397
Operating profit before working capital change		<u>235,776</u>	<u>397,140</u>
Changes in working capital:			
Trade and other receivables		(10,555)	203,372
Trade and other payables		132,087	(120,881)
Cash generate from operations		<u>357,308</u>	<u>479,631</u>
Income tax paid		<u>(11,173)</u>	<u>(12,105)</u>
Net cash inflow from operating activities		<u>346,135</u>	<u>467,526</u>
<b>Cash flows from investing activities</b>			
Purchase of plant and equipment		<u>(713)</u>	<u>(11,670)</u>
<b>Net cash outflow from investing activities</b>		<u>(713)</u>	<u>(11,670)</u>
<b>Cash flows from financing activities</b>			
Repayment of bank borrowings		<u>(89,146)</u>	<u>(94,362)</u>
<b>Net cash outflow from financing activities</b>		<u>(89,146)</u>	<u>(94,362)</u>
<b>Net changes in cash and cash equivalents</b>		256,276	361,494
Cash and cash equivalents at beginning of the financial year	9	<u>1,240,388</u>	<u>878,894</u>
<b>Cash and cash equivalents at end of the financial year</b>	9	<u>1,496,664</u>	<u>1,240,388</u>

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

**SEQUOIA GROUP PTE. LTD.**  
**(REGISTRATION NUMBER: 200612431W)**  
**NOTES TO THE FINANCIAL STATEMENTS**  
*For the financial year ended 31 December 2018*

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

**1. General**

Sequoia Group Pte. Ltd. (the "Company") is incorporated and domiciled in the Republic of Singapore. The address of its registered office is as follows: 420 North Bridge Road #05-39/40 North Bridge Centre Singapore 188727.

The principal activities of the Company are those of business and management consultancy services. There has been no change in the principal activities of the Company during the year.

**2. Significant accounting policies**

(a) Basis of preparation

The financial statements have been prepared in accordance with the historical cost basis except as disclosed in the accounting policies below, and are drawn up in accordance with the provisions of the Singapore Companies Act and Singapore Financial Reporting Standards ("FRS").

These financial statements are presented in Singapore Dollars, which is the Company's functional currency. All financial information presented in Singapore Dollars has been rounded to the nearest dollars, unless otherwise stated.

The preparation of financial statements in conformity with FRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may ultimately differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

*Interpretations and amendments to published standards effective in 2018*

On 01 January 2018, the Company adopted the new and revised FRS and Interpretations to FRS ("INT FRS") that are effective from that date and are relevant to its operations. The adoption of these new/revised FRS and INT FRS does not result in changes to the Company's accounting policies and has no material effect on the amounts reported for the current or prior years.

**SEQUOIA GROUP PTE. LTD.**  
**(REGISTRATION NUMBER: 200612431W)**  
**NOTES TO THE FINANCIAL STATEMENTS**  
*For the financial year ended 31 December 2018*

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**2. Significant accounting policies (continued)**

(b) Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured at the fair value of consideration received or receivable. Revenue is recorded, net of goods and services tax and returns and trade allowances.

Revenue from the rendering of services is recognised over the period in which the services have been rendered.

(c) Plant and equipment

All plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses where the recoverable amount of assets is estimated to be lower than its carrying cost.

Depreciation is calculated on a straight line basis to write off the cost of plant and equipment over their expected useful lives. The estimated useful lives are as follows:

Computer and peripherals	3 Years
Furniture and fitting	5 Years
Office equipment	5 Years
Renovation	5 Years
Leasehold property	50 Years

The residual values and useful lives of plant and equipment are reviewed, and adjusted as appropriate, at each balance sheet date. The effects of any revision of the residual values and useful lives are included in the profit or loss for the financial year in which the changes arise.

*Subsequent expenditure*

Subsequent expenditure relating to plant and equipment that has already been recognised is added to the carrying amount of the asset when it is probable that future economic benefits, in excess of the originally assessed standard of performance of the existing asset, will flow to the Company and the cost can be reliably measured. Other subsequent expenditure is recognised as an expense during the financial year in which it is incurred.

*Disposal*

On disposal of a plant and equipment, the difference between the net disposal proceeds and its carrying amount is taken to the profit or loss.

**2. Significant accounting policies (continued)**

(d) Impairment of non-financial assets

Non-financial assets are reviewed for impairment at each balance sheet date or whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Whenever the carrying amount of an asset exceeds its recoverable amount, an impairment loss is recognised in the profit or loss.

Reversal of impairment losses recognised in prior years is recorded when there is an indication that the impairment losses recognised for the asset no longer exist or have decreased. The reversal is recorded in income. However, the increased carrying amount of an asset due to a reversal of an impairment loss is recognised to the extent it does not exceed the carrying amount that would have been determined (net of amortisation or depreciation) had no impairment loss been recognised for that asset in prior years.

(e) Financial assets

Financial assets are recognised on the statement of financial position when, and only when, the company becomes a party to the contractual provisions of the financial instrument.

When financial assets are recognised initially, they are measured at fair value, plus, in the case of financial assets not at fair value through profit or loss, directly attributable transaction costs.

A financial asset is derecognised where the contractual right to receive cash flows from the asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognised in the fair value reserve is recognised in profit or loss.

The company classifies its financial assets as follows:

**2. Significant accounting policies (continued)**

(e) Financial assets (continued)

Cash and cash equivalents

Cash and cash equivalents include cash at bank.

Trade and other receivables

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less allowance for impairment. An allowance for impairment of receivables is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables. The amount of the allowance 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 amount of the allowance is recognised in the profit or loss.

*Offsetting financial instruments*

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

(f) Impairment of financial assets

Financial assets are assessed for indicators of impairment at the end of each reporting period. 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 financial assets 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.

**2. Significant accounting policies (continued)**

(g) Financial liabilities

Financial liabilities are recognised on the balance sheet when, and only when, the Company becomes a party to the contractual provisions of the financial instrument.

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

Financial liabilities at FVTPL

Financial liabilities at FVTPL are initially measured at fair value and subsequently stated at fair value, with any resultant gain or loss recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability and is included in the "other income/other expense" line in statement of profit or loss and other comprehensive income.

The Company has not designated any financial liabilities upon initial recognition at fair value through profit or loss.

Other financial liabilities

Trade and other payables represent liabilities for goods and services provided to the Company prior to the end of the financial period which are unpaid. They are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business is longer). If not, they are presented as non-current liabilities.

Trade and other payables are initially recognised at fair value, and subsequently carried at amortised cost, using the effective interest method.

Borrowings

Borrowings are presented as current liabilities unless the Company has an unconditional right to defer settlement for at least 12 months after the balance sheet date, in which case they are presented as non-current liabilities.

Borrowings are initially recognized at fair value (net of transactions costs) and subsequently carried at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognized in profit or loss over the period of the borrowings using the effective interest method.

*Derecognition of financial liabilities*

A financial liability is derecognised when the obligation under the liability is extinguished.

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**NOTES TO THE FINANCIAL STATEMENTS**  
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**2. Significant accounting policies (continued)**

(h) Provisions

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

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

(i) Share capital

Ordinary shares are classified as equity.

(j) Fair value estimation

The carrying amounts of current financial assets and liabilities, carried at amortised cost, are assumed to approximate their fair values.

(k) Taxes

(i) *Current income tax*

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the end of the reporting period.

Current taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.



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**2. Significant accounting policies (continued)**

(k) Taxes (continued)

(ii) *Sales tax*

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

- Where the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the sales tax is recognised as part of the cost acquisition of the asset or as part of the expense item as applicable; and
- Receivables and payables that are stated within the amount of sales tax included.

The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

(l) Employee benefits

*Defined contribution plans*

The Company makes contributions to the Central Provident Fund scheme in Singapore ("CPF"), a defined contribution plan. Contributions to CPF are charged to profit or loss in the period in which the related service is performed.

*Employee leave entitlement*

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

(m) Leases

*Operating leases*

Leases of assets in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are taken to the income statement on a straight-line basis over the period of the lease.

When an operating lease is terminated before the lease period has expired, any payment required to be made to the lessor by way of penalty is recognised as an expense in the period in which termination takes place.

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**3. Revenue**

Revenue represents net invoice sales to customers in the normal course of business.

**4. Other income**

	2018 S\$	2017 S\$
Cash rebate	237	448
Exchange gain	-	60
Fixed deposit interest income	303	302
Other income	51	11,325
Rental income	61,072	64,072
Special employment credit	-	1,200
Temporary employment credit	905	2,425
Utilities charges	-	100
Wages credit scheme	2,634	1,354
Work life grant	29,306	-
	<u>94,508</u>	<u>81,286</u>

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**5. Expenses by nature**

	2018 S\$	2017 S\$
Accounting fees	3,162	3,638
Advertising	9,600	-
Casual wages	15,670	15,000
Bank charges	790	755
Depreciation expenses	11,697	15,096
Dues & subscriptions	2,776	1,060
Entertainment	10,591	10,665
General expenses	659	60
Gift and donations	1,036	489
Insurance	379,420	6,671
IT expenses	3,322	9,627
Medical fees	1,787	641
Non-capitalized assets	-	110
Office maintenance	9,864	9,147
Penalty & fines	24	1,387
Professional fee		74
Property tax	6,753	4,796
Postage & courier	3,009	4,429
Printing & stationery	24,214	31,062
Private car expenses	9,855	869
Refreshment	2,401	2,374
Rental	85,482	82,485
Secretarial fees	624	591
Staff cost (note 6)	565,287	577,600
Staff welfare	350	1,167
Tax advisory fee	744	856
Telephone	5,144	1,121
Training cost	7,864	8,557
Transportation	17,021	14,218
Travelling expenses	20,181	5,429
Utilities	1,739	2,061
Withholding tax expenses	-	45,338
Total administrative and other operating expenses	<u>1,201,066</u>	<u>857,373</u>

**SEQUOIA GROUP PTE. LTD.**  
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**6. Staff costs**

	2018 S\$	2017 S\$
Directors' remuneration	89,700	89,700
Director CPF	13,413	13,413
Foreign worker salary and bonus	69,276	65,000
Foreign worker levy	7,800	5,585
Staff salaries & bonus	260,963	309,361
Staff CPF	42,943	48,477
Staff commission	80,463	45,200
Skill development levy	729	864
	565,287	577,600

**7. Finance costs**

	2018 S\$	2017 S\$
Loan Interest	24,120	36,397

**8. Income tax**

(a) Income tax expense

	2018 S\$	2017 S\$
Tax expense attributable to profit is made up of:		
Current income tax	65,414	9,714
Prior year's tax under / (overprovision)	2,978	-
	68,392	9,714

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**8. Income tax (continued)**

(a) Income tax expense (continued)

The tax expense on profit differs from the amount that would arise using the Singapore standard rate of income tax due to the following:

	2018 S\$	2017 S\$
Profit before tax	199,959	345,647
Tax calculated at a tax rate of 17%	33,993	58,760
Income not subject to tax	-	(10,944)
Separate source of income	-	-
Expenses not deductible for tax purposes	68,169	13,950
Utilization of capital allowance	(36,748)	(6,646)
Utilization of S14Q	-	-
Utilization of PIC deduction	-	(4,842)
Singapore statutory stepped income tax exemption	-	(25,564)
Income tax rebate	-	(15,000)
Prior year's tax under / (overprovision)	2,978	-
	<u>68,392</u>	<u>9,714</u>

(b) Movements in provision for taxation

	2018 S\$	2017 S\$
At the beginning of the financial year	60,249	62,640
Income tax paid	(11,173)	(12,105)
Current year income tax expense	65,414	9,714
Prior year's tax under / (overprovision)	2,978	-
At the end of the financial year	<u>117,468</u>	<u>60,249</u>

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**9. Cash and cash equivalents**

	2018 S\$	2017 S\$
Bank fixed deposit	402,891	202,588
Cash at bank	1,093,773	1,037,800
	<u>1,496,664</u>	<u>1,240,388</u>

The carrying amounts of cash and cash equivalents approximate their fair value.

**10. Trade and other receivables**

	2018 S\$	2017 S\$
Trade debtor	289,527	278,782
Deposit with others	13,803	13,803
Prepayments	6,255	8,158
Amount due from director	1,010	997
Amount due from related party	1,700	-
	<u>312,295</u>	<u>301,740</u>

Trade receivables are non-interest bearing and are generally on 30-day term. They are recognized at their original invoice amounts which represent their fair values on initial recognition.

The ageing of trade receivables at the reporting date was:

	Gross 2018 S\$	Gross 2017 S\$
Not past due 0 - 30 days	-	145,537
Past due 31 - 60 days	133,035	90,469
Past due 61 - 90 days	45,449	12,519
More than 90 days	111,043	30,257
	<u>289,527</u>	<u>278,782</u>

Based on historic default rates, the Company believes that no impairment allowance is necessary in respect of trade receivables not past due or past due by up to 30 days, the balance relates to customers that have a good payment record with the company.

The non-trade amount due from director/ related party is unsecured, interest free repayable on demand.

The carrying amounts of trade and other receivables approximate their fair value.

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SEQUOIA GROUP PTE. LTD.  
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 NOTES TO THE FINANCIAL STATEMENTS  
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**11. Plant and equipment**

<i>Cost</i>	<u>01.01.2018</u>	<u>Additions</u>	<u>31.12.2018</u>
	S\$	S\$	S\$
Computer and peripherals	158,672	-	158,672
Furniture and fitting	11,826	436	12,262
Office equipment	16,684	277	16,961
Renovation	34,379	-	34,379
Leasehold property	1,675,000	-	1,675,000
<b>Total</b>	<u>1,896,561</u>	<u>713</u>	<u>1,897,274</u>
<i>Accumulated depreciation</i>			
Computer and peripherals	151,928	3,578	155,506
Furniture and fitting	9,731	977	10,708
Office equipment	12,985	1,623	14,608
Renovation	23,282	5,519	28,801
Leasehold property	-	-	-
<b>Total</b>	<u>197,926</u>	<u>11,697</u>	<u>209,623</u>
<i>Net carrying amount</i>			
Computer and peripherals	6,744		3,166
Furniture and fitting	2,095		1,554
Office equipment	3,699		2,353
Renovation	11,097		5,578
Leasehold property	1,675,000		1,675,000
<b>Total</b>	<u>1,698,635</u>		<u>1,687,651</u>

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**11. Plant and equipment (continued)**

<i>Cost</i>	<u>01.01.2017</u>	<u>Additions</u>	<u>31.12.2017</u>
	S\$	S\$	S\$
Computer and peripherals	149,178	9,494	158,672
Furniture and fitting	11,210	616	11,826
Office equipment	15,274	1,410	16,684
Renovation	34,229	150	34,379
Leasehold property	1,675,000	-	1,675,000
<b>Total</b>	<u>1,884,891</u>	<u>11,670</u>	<u>1,896,561</u>

*Accumulated  
depreciation*

Computer and peripherals	146,093	5,835	151,928
Furniture and fitting	8,841	890	9,731
Office equipment	10,132	2,853	12,985
Renovation	17,764	5,518	23,282
Leasehold property	-	-	-
<b>Total</b>	<u>182,830</u>	<u>15,096</u>	<u>197,926</u>

*Net carrying amount*

Computer and peripherals	3,085	6,744
Furniture and fitting	2,369	2,095
Office equipment	5,142	3,699
Renovation	16,465	11,097
Leasehold property	1,675,000	1,675,000
<b>Total</b>	<u>1,702,061</u>	<u>1,698,635</u>



**SEQUOIA GROUP PTE. LTD.**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
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**12. Trade and other payables**

	2018 S\$	2017 S\$
Trade creditor	703,150	550,000
Advance to customer	-	5,089
Deposit from customer	19,026	19,026
Accruals	19,519	26,623
GST payables	21,087	29,957
	<u>762,782</u>	<u>630,695</u>

Trade payables are noninterest-bearing and are normally settled on a 30 to 60 days' term.

Accruals pertain to accrued and unpaid administrative expenses which are normally settled within the next financial year.

The non-trade amount due to third party is unsecured, interest free and repayable on demand.

The carrying amounts of trade and other payables approximate their fair value.

**13. Bank borrowings**

	2018 S\$	2017 S\$
Term loan	<u>1,077,971</u>	<u>1,142,997</u>

The borrowings are repayable as follows:

	2018 S\$	2017 S\$
Within one year	65,340	57,965
Within two to five years	261,360	173,895
More than five years	751,271	911,137
	<u>1,077,971</u>	<u>1,142,997</u>

The carrying amounts of borrowings approximate their fair values.

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**13. Bank borrowings (continued)**

(a) Security granted

The term loan with a financial institution of the Company is secured by the Company's property and personal guarantees from director.

(b) Interest rate risks

The weighted average effective interest rate at the balance sheet date is approximately 3.18% p.a.

(c) Carrying amounts and fair values

The carrying amounts of current and non-current term loan approximate their fair values.

**14. Share capital**

Issued and fully paid ordinary share capital

	2018		2017	
	No. of shares	S\$	No. of shares	S\$
At beginning and end of the financial year	<u>300,000</u>	<u>300,000</u>	<u>300,000</u>	<u>300,000</u>

The holder of ordinary shares is entitled to receive dividends as and when declared by the Company. Each ordinary share carries one vote without restriction. The ordinary shares have no par value.

**15. Capital management**

The primary objective of the Company's capital management is to safeguard the Company's ability as a going concern and to provide adequate cash flow to meet its operating requirements.

The Company manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholder, return capital to shareholders or issue new shares. No changes were made to the objectives, policies or processes during the year ended 31 December 2018. The Company is not subject to any externally imposed capital requirement and the capital of the Company comprises all components of shareholder's equity.

SEQUOIA GROUP PTE. LTD.  
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NOTES TO THE FINANCIAL STATEMENTS  
*For the financial year ended 31 December 2018*

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**16. Financial instruments and financial risk management**

(a) *Categories of financial instruments*

The following table sets out the financial instruments as at the balance sheet date:

	2018 S\$	2017 S\$
<b>Financial assets</b>		
Cash and cash equivalents	1,496,664	1,240,388
Trade and other receivables	306,040	293,582
	<u>1,802,704</u>	<u>1,533,970</u>
	2018 S\$	2017 S\$
<b>Financial liabilities</b>		
Trade and other payables	762,782	630,695
Bank borrowings	1,077,971	1,142,997
	<u>1,840,753</u>	<u>1,773,692</u>

**16. Financial instruments and financial risk management (continued)**

*(b) Financial risk factors*

The Company is exposed to financial risks arising from its operations and the use of financial instruments. The key financial risks include credit risk, liquidity risk, interest rate risk and foreign currency risk. Risk management is determined and carried out by the directors of the company.

*(i) Foreign currency risk*

At the reporting date, there are no monetary assets and monetary liabilities denominated in currencies other than the Company's functional currency. Hence, the Company is not exposed to foreign currency risk.

*(ii) Interest rate risk*

The Company's business is not exposed to other significant interest rate risks. The Company has no significant interest-bearing assets and liabilities.

*(iii) Credit risk*

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations.

The carrying amount of financial assets as indicated primarily in the balance sheet, net of any allowances for losses, represent the Company's maximum exposure to credit risk in relation to each class of recognised financial assets.

*(iv) Liquidity risk*

The Company maintains sufficient cash and cash equivalents, and internally generated cash flows to finance their activities. Management finances the Company's liquidity through internally generated cash flows and minimizes liquidity risk by obtaining personal funding from the directors. Management expects that the Company does not have undue liquidity risk.

**SEQUOIA GROUP PTE. LTD.**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
*For the financial year ended 31 December 2018*

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**16. Financial instruments and financial risk management (continued)**

*(b) Financial risk factors (continued)*

*(iv) Liquidity risk (continued)*

The table below summarises the maturity profile of the Company's financial liabilities at the balance sheet date based on contractual undiscounted payments.

	On demand or within 1 year S\$	Within 2 to 5 years S\$	More than 5 years S\$	Total S\$
2018				
Trade and other payables	762,782	-	-	762,782
Bank borrowings	65,340	261,360	751,271	1,077,971
	<u>828,122</u>	<u>261,360</u>	<u>751,271</u>	<u>1,840,753</u>
2017				
Trade and other payables	630,695	-	-	630,695
Bank borrowings	57,965	173,895	911,137	1,142,997
	<u>688,660</u>	<u>173,895</u>	<u>911,137</u>	<u>1,773,692</u>

**17. Fair values of financial instruments**

*Fair values*

The fair value of a financial instrument is the amount at which the instrument could be exchanged or settled between knowledgeable and willing parties in an arm's length transaction, other than in a forced or liquidation sale.

*Financial instruments whose carrying amount approximate fair value*

Management has determined that the carrying amount of cash and cash equivalents, current trade and other receivables and current trade and other payables based on their notional amounts, are reasonable approximate of their fair values because these are mostly short-term in nature or are repriced frequently.

*Interest-bearing bank loans*

The carrying amounts of the term loans also approximate fair value as it is subject to floating interest rates which in turn approximate the current market interest rate for similar loan at balance sheet date.

**SEQUOIA GROUP PTE. LTD.**  
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**18. Authorisation of financial statements**

These financial statements were authorized for issue in accordance with a resolution of the directors of Sequoia Group Pte. Ltd. on the date of the Directors' Statement.

SEQUOIA GROUP PTE. LTD.  
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DETAILED PROFIT AND LOSS STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2018

	2018 S\$
<b>Sales</b>	2,475,973
<b>Less: Cost of sales</b>	<u>(1,145,336)</u>
<b>Gross profit</b>	1,330,637
<b>Other income</b>	
Cash rebate	237
Fixed deposit interest income	303
Other income	51
Rental income	61,072
Temporary employment credit	905
Wages credit scheme	2,634
Work life grant	29,306
	<u>94,508</u>
<b>Expenses</b>	
Accounting fees	3,162
Advertising	9,600
Bank charges	790
Casual wages	15,670
Depreciation expenses	11,697
Director CPF	13,413
Directors' remuneration	89,700
Dues & subscriptions	2,776
Entertainment	10,591
Foreign worker levy	7,800
Foreign worker salary and bonus	69,276
General expenses	659
Gift and donations	1,036
Insurance	379,420
IT expenses	3,322
Loan Interest	24,120
Medical fees	1,787
Office maintenance	9,864
Penalty & fines	24
Postage & courier	3,009
Printing & stationery	24,214
Private car expenses	9,855
Property tax	6,753
Refreshment	2,401
Rental	85,482
Secretarial fees	624
Skill development levy	729
Staff commission	80,463
Staff CPF	42,943
Staff salaries & bonus	260,963
Staff welfare	350
Tax advisory fee	744
Telephone	5,144
Training cost	7,864
Transportation	17,021
Travelling expenses	20,181
Utilities	1,739
	<u>(1,225,186)</u>
<b>Profit before taxation</b>	<u>\$ 199,959</u>

The above statement does not form part of the statutory financial statements of the Company.