

ZHONGSHI MINAN HOLDINGS LIMITED 中食民安控股有限公司

(Incorporated in the Cayman Islands with limited liability)
Stock Code : 8283

2024 Annual Report



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This report, for which the directors (the “Directors”) of Zhongshi Minan Holdings Limited (the “Company”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the GEM of the Stock Exchange (the “GEM Listing Rules”) for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief, the information contained in this report is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this report misleading, and all opinions expressed in this document have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.

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CORPORATE INFORMATION

EXECUTIVE DIRECTORS

Mr. WANG Lei
(*Chairman and Chief Executive Officer*)
Mr. FENG Wei (*Co-Chairman*) (resigned on
30 December 2024)
Mr. CHUA Boon Hou (CAI Wenhao)
Ms. WU Lili (resigned on 30 May 2024)
Ms. WU Mengmeng (appointed on 30 May 2024)

NON-EXECUTIVE DIRECTORS

Mr. WANG Bing (resigned on 30 May 2024)
Mr. ZHAO Yanjiao (resigned on 20 September 2024)
Mr. LI Xiaodong (appointed on 30 May 2024)

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. CHEN Huichun
Mr. GAO Yan
Mr. ZHAO Wei

AUDIT COMMITTEE

Mr. GAO Yan (*Chairman*)
Mr. CHEN Huichun
Mr. ZHAO Wei

REMUNERATION COMMITTEE

Mr. GAO Yan (*Chairman*)
Mr. WANG Lei
Mr. ZHAO Wei

NOMINATION COMMITTEE

Mr. ZHAO Wei (*Chairman*)
Mr. CHEN Huichun
Mr. WANG Lei

RISK MANAGEMENT COMMITTEE

Mr. ZHAO Wei (*Chairman*)
Mr. CHUA Boon Hou (CAI Wenhao)
Mr. WANG Lei

COMPLIANCE OFFICER

Mr. CHUA Boon Hou (CAI Wenhao)

COMPANY SECRETARY

Mr. LO Kam Tai

AUTHORISED REPRESENTATIVES

Mr. CHUA Boon Hou (CAI Wenhao)
Mr. LO Kam Tai

AUDITOR

CL Partners CPA Limited
Certified Public Accountants
Registered Public Interest Entity Auditor
3203A-05 Tower 2
Lippo Centre
Admiralty
Hong Kong

PRINCIPAL BANKS

DBS Bank Limited
United Overseas Bank Limited
China Merchants Bank

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Tricor Investor Services Limited
17/F, Far East Finance Centre
16 Harcourt Road
Hong Kong

PRINCIPAL PLACE OF BUSINESS

HEADQUARTERS IN SINGAPORE

160 Sin Ming Drive
#06-02 Sin Ming Autocity
Singapore 575722

HEADQUARTERS IN CHINA

69 Lianhuashan Road
Wennan Town, Xintai, Tai'an
Shandong Province

REGISTERED OFFICE IN THE CAYMAN ISLANDS

Windward 3, Regatta Office Park
P.O. Box 1350
Grand Cayman KY1-1108
Cayman Islands

PRINCIPAL PLACE OF BUSINESS IN HONG KONG UNDER PART 16 OF THE COMPANIES ORDINANCE (CAP 622)

Room E, 15th Floor
Leahander Centre
28 Wang Wo Tsai Street
Tsuen Wan, New Territories
Hong Kong

STOCK CODE

8283

COMPANY'S WEBSITE ADDRESS

www.zhongshiminanholdings.com



CHAIRMAN'S STATEMENT

Dear Shareholders,

On behalf of the Board of Directors (the "Board") of Zhongshi Minan Holdings Limited (the "Company") and its subsidiaries (the "Group"), I am pleased to present the annual results of the Group for the year ended 31 December 2024.

I would like to begin by acknowledging that the past year has been challenging period for the Group. For the full year ended 31 December 2024, the Group recorded a significant decline in revenue of approximately S\$5.01 million or 21.0% from approximately S\$23.87 million for the year ended 31 December 2023 to approximately S\$18.87 million for the year ended 31 December 2024. This decline was driven primarily by a slowdown revenue across both our Singapore and China operations, as a result of drop in consumer spending and waning confidence amid high costs and weak economic environment.

In response to these challenges, the management took decisive steps to focus on cost controls and critical areas of our business. Through these efforts, for the year ended 31 December 2024, the Group recorded a profit of approximately S\$1.03 million as compared to a loss of approximately S\$1.53 million for the corresponding period in 2023. The turnaround to profitability was primarily driven by the gain from the disposal of a subsidiary in China, along with the Group's strategic efforts to streamline operations and cost management.

Looking ahead to 2025, we expect the operating environment to remain challenging in Singapore and China, due to the ongoing geopolitical challenges and trade dynamics, technological advancement, rising costs and shifting consumer preference. The automotive market in Singapore continues to evolve and shaped by government's push for sustainability, new technologies and mobility solutions. In light of these uncertainties, we are taking a cautious approach to our business operations. As we continue to deploy resources to ensure our technicians are adept with state-of-the art repair equipment and possess advance skills necessary to service a diverse portfolio of passenger car brands, including hybrid and electric vehicles.

The integration of AI and rapid technological advancement continue to influence China's smart kitchen segment and customers' demand. We continue to focus on affordability, innovative solution, and seamless integration to better serve our customers and capture market share.

We remain resilient and are committed to navigate through this rapidly changing and evolving business environment. As we move forward, we will continue to explore new partnership, and business opportunities that will value add to the Group. We are confident that such proactive approach and focus on long-term growth will position the Group for success in the years ahead.

On behalf of the Board, I would like to take this opportunity to thank our employees, customers and business associate, shareholders and other stakeholders for the support through the years.

On behalf of the Board, I would like to take this opportunity to express my sincere gratitude to all the employees and management team, customers, shareholders and business associates for the support throughout the years. I look forward to celebrating another year of success with all of you.

Yours sincerely,

WANG Lei

Chairman, Chief Executive Officer and Executive Director

31 March 2025

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

The Company is an investment holding company. The Company's subsidiaries are principally engaged in the passenger car service industry and offer a comprehensive range of passenger car services including: (1) maintenance and repair of services; (2) modification, tuning and grooming services; (3) provision of extended warranty program; (4) development, manufacturing and sale of smart kitchen appliances segment; and (5) F&B brand management services.

The Group revenue decreased by approximately S\$5.01 million or 21.0% from approximately S\$23.87 million for the year ended 31 December 2023 to approximately S\$18.87 million for the year ended 31 December 2024. Revenue from our car service operations in Singapore decreased by S\$3.2 million to S\$17.49 million. Revenue from smart kitchen and F&B brand management segment in China decreased by S\$1.8 million to S\$1.4 million.

The Group has over 20 years of experience in the passenger car service industry and offer a comprehensive range of passenger car services. Our passenger car services in Singapore mainly include (i) maintenance and repair services; and (ii) modification, tuning and grooming services. These two services contributing approximately 92% or S\$17.3 million of total revenue in 2024 (2023: 86% or S\$20.5 million). In 2022, the Group ventured into the business of engaging in the sale of smart kitchen appliances and providing F&B brand management services in China. This new business segment in China contributed to approximately 7% of total revenue in 2024 (2023: 13%).

Our new smart kitchen segment in China, adopting a multiple business development model which includes offline retail stores, food delivery, small vegetable packaging, food and beverage branding incubation, and SaaS+ empowerment. By integrating industry SaaS+ services, the Group will create a complete vertical management system and commercial empowerment system, offering a full range of solutions from procurement, production, and sales for channels and traditional enterprises.

OUTLOOK

Innovation, adaption and reinvention remains as the key themes in this ever-changing world. Looking ahead in 2025, further integration of AI and advance technologies as well as building sustainable growth strategies will be the focus in the major economies.

Singapore's economy is expected remain resilient in 2025 despite the various challenges including shifting trade dynamics, supply chain disruption, rising cost of living. The automotive industry is undergoing a dramatic transformation, with traditional business models being challenged by technological advancements and shifting consumer preference. The automotive market in Singapore continues to evolve and shaped by new technologies and mobility solutions, government's car-lite vision, push for sustainability, and the shift towards EVs.

As of 31 December 2024, the total number of motor vehicle population stood at 1,007,094 (31 December 2023: 996,732), of which 654,255 are cars and private hire cars (source: <https://www.lta.gov.sg>). In 2024, EVs accounted for about one-third of all new car registration, up from 18% in 2023, with the Chinese EV brands competing aggressively in the market. Meanwhile, market share of parallel-imported cars fell to 12.1% in 2024. This sharp slowdown is a result of a steeper tax rate of the car value.

Aligning with the government's strategic shift towards sustainable transportation to electric cars by 2040, the Group has started deploying resources to stay at the vanguard of the technological progress by ensuring our technicians are adept with state-of-the art repair equipment and possess the advanced skills necessary to service a diverse portfolio of passenger car brands. We actively seek to broaden our product range and enhancing our service offerings in the Singapore market by expanding into electric vehicles. We will increase our investment in software updates and new equipment to handle the unique components, and safety requirements for hybrid and/or electric vehicles that differ from traditional combustion engine vehicles.

While challenges such as declining car ownership and shift to EVs pose risks to our market, we remain agile and continue to identify new business opportunity, partnerships or collaborations with international partners.



MANAGEMENT DISCUSSION AND ANALYSIS

Our Group continues to focus on growing our smart kitchen segment, implementing a multiple business development model, including offline retail stores, food delivery, small vegetable packaging, food and beverage branding incubation, and SaaS+ empowerment. By integrating industry SaaS+ services, the Group will build a complete vertical management system and commercial empowerment system, providing a full range of solutions from procurement, production and sales for channels and traditional enterprises. Moving forward, the Company's business scope will continue to expand, with the aim of becoming a leading platform for global ready-made food industry SaaS+ services.

China's smart kitchen segment is experiencing rapid growth, driven by rising consumer demand for convenience and technological innovation. We continue to focus on affordability, innovation, seamless integration to be well positioned to capture greater market share.

FINANCIAL REVIEW

REVENUE

For the full year ended 31 December 2024, the Group recorded a substantial decline in revenue of approximately S\$5.01 million or 21.0% from approximately S\$23.87 million for the year ended 31 December 2023 to approximately S\$18.87 million for the year ended 31 December 2024. Revenue from our Singapore operations fell by 15.6% to S\$17.49 million, largely due to decrease in spare parts export sales and slow down in maintenance and repair services income. Whereas, revenue from Mainland China operation dropped by 56.1% to S\$1.38 million, primarily due to cautious customer spending amidst ongoing macroeconomic challenges.

OTHER INCOME AND GAINS

Other income and gains increased by approximately S\$0.75 million or 48.1% from approximately S\$1.56 million for the year ended 31 December 2023 to approximately S\$2.31 million for the year ended 31 December 2024. The net increase was mainly due to gain on disposal of a subsidiary in China amounted to S\$1.85 million, offset against the absence of realised capital gains from the disposal of listed securities investments in prior year amounted to S\$0.86 million.

COST OF MATERIALS

Our cost of materials decreased by approximately S\$2.39 million or 20.4% for the year ended 31 December 2024. The decrease was in line with the overall decrease in revenue.

MARKETING AND ADVERTISING EXPENSES

Marketing and advertising expenses increased by approximately S\$0.33 million or 61.0% for the year ended 31 December 2024. The increase was primarily driven by higher marketing expenditure in China operations, as part of efforts to boost brand visibility and support sales recovery initiatives in a competitive and challenging market environment, despite the overall decline in revenue.

EMPLOYEE BENEFITS EXPENSES

Employee benefits expenses decreased by approximately S\$1.96 million or 25.3% for the year ended 31 December 2024. The decrease was consistent with the overall drop in revenue, mainly due to business downsizing during the year and the disposal of a subsidiary in China.

MANAGEMENT DISCUSSION AND ANALYSIS

OTHER EXPENSES

Other expenses decreased by approximately S\$2.81 million or 50.1% from approximately S\$5.61 million for the year ended 31 December 2023 to approximately S\$2.80 million for the year ended 31 December 2024. The decrease was primarily due to cost control efforts in both Singapore and China operations in response to the business downsizing and streamlining of non-essential activities amid business slowdown.

PROFIT FOR THE YEAR

For the year ended 31 December 2024, the Group recorded a profit of approximately S\$1.03 million as compared to a loss of approximately S\$1.53 million for the corresponding period in 2023. The turnaround to profitability was primarily driven by the gain from the disposal of a subsidiary in China, along with Group's strategic efforts to streamline operations and cost management.

MOTOR FINANCE SERVICES

To facilitate sales of motor vehicles to our customers, we also offer motor financing services to our customers through hire purchase agreements or finance lease agreements.

As for our motor vehicle financing business, we derive our income from the interest charges associated with our hire purchase agreements. The interest rates charged are determined by us, which may vary based on the factors like market conditions, interest rates offered by other financial institutions and loan tenure, loan amount as a percentage of car value, etc.

LOAN RECEIVABLES FROM THIRD PARTIES

As at 31 December 2024, the amount of loan receivable from third parties of approximately S\$1.8 million (2023: S\$2.1 million) mainly represents the outstanding motor vehicles financing loans provided to our customers.

Details of the top five motor vehicle financing loans are as follows:

	2024 S\$'000	2023 S\$'000
Customer A	266	–
Customer B	212	–
Customer C	205	403
Customer D	204	251
Customer E	157	185
Customer F	132	160
Customer G	130	218
Others	503	886
	1,809	2,103

MANAGEMENT DISCUSSION AND ANALYSIS

As at 31 December 2024

	Gross receivables S\$'000	Unearned finance income S\$'000	Loan receivables from third parties S\$'000
Analysed into:			
Receivable			
– Within 1 year	745	195	550
– After 1 year but within 5 years	1,357	98	1,259
– After 5 years	–	–	–
	2,102	293	1,809

As at 31 December 2023

	Gross receivables S\$'000	Unearned finance income S\$'000	Loan receivables from third parties S\$'000
Analysed into:			
Receivable			
– Within 1 year	879	122	757
– After 1 year but within 5 years	1,515	169	1,346
– After 5 years	–	–	–
	2,394	291	2,103

The motor vehicle financing loans have the following summarized terms. The tenure of the loans can range from 1 to 7 years or may be determined based on the age of the motor vehicle. The interest rates are fixed and the rates for outstanding loans as of 31 December 2024 range from 3% to 7%. The offered interest rate depends on various factors such as the prevailing SIBOR rate at the start of the loan, the age, make and model of the vehicle, the loan tenure, and the borrower's creditworthiness and risk profile. Collaterals for these loans involve lodging the motor vehicle purchased with the Hire Purchase, Finance and Leasing Association of Singapore. All customers who avail of these loans are independent individual customers.

MANAGEMENT DISCUSSION AND ANALYSIS

REVENUE FROM PROVISION OF MOTOR FINANCE SERVICES

Revenue from the provision of motor finance service is recognised over the scheduled repayment period because the customer simultaneously receives and consumes the benefits provided by the Group.

CREDIT RISK ASSESSMENT

The Group applies the simplified approach to providing for expected credit losses prescribed by IFRS 9, which permits the use of the lifetime expected loss provision for all trade receivables including finance lease receivables. The Group put in place credit risk assessment policies when extending motor financing to customers. Our management team in Singapore is responsible for credit limit and approvals of these motor financing services. Factors considered includes (i) the make, model, age and condition of the motor vehicle to be secured; (ii) ability to secure third-party guarantees; (iii) ability to service the repayments; and (iv) current market conditions.

Loan receivables are reviewed regularly to ensure appropriate actions are taken promptly to recover any overdue amounts. In event of overdue payment, a default interest is charged on a daily basis, or such other rate as may be determined, and a late charge payment is imposed on overdue payment.

Management overall considers the shared credit risk characteristic and the days past due of the finance lease receivables to measure the expected credit loss.

Our Group's management reviews its receivables for potential impairment on a monthly basis, relying on factors like collectability and ageing analysis. Calculating the expected credit losses involves substantial judgment, taking into account factors such as the current creditworthiness, past payment history of each customer and forward-looking macroeconomic data. Should our Group's customer experience financial deterioration, impacting their ability to make payments, it may necessitate additional provisions on impairment.

LIQUIDITY, FINANCIAL AND CAPITAL RESOURCES

CASH POSITION

The cash and bank balances amounted to approximately S\$5.35 million and S\$2.93 million as at 31 December 2024 and 2023 respectively. The functional currency of the Group is the Singapore dollar. As at 31 December 2024, 99.7% of the Group's cash and bank balances was denominated in the functional currency (31 December 2023: 89.4%) and the remaining 0.3% (31 December 2023: 10.6%) in other currencies, mainly the Renminbi and Hong Kong dollar.

Our Group had net cash flow from operating activities of approximately S\$2.97 million for the year ended 31 December 2024. Barring the effect of IFRS16 depreciation of right-of-use assets of approximately S\$0.76 million, it would have been a net cash flow generated from operating activities of approximately S\$2.21 million.

Net cash flow used in investing activities was approximately S\$0.29 million for the year ended 31 December 2024. Net cash flow was mainly used on (i) purchase of property, plant and equipment amounting to S\$0.23 million, (ii) purchase of financial assets amounting to S\$3.05 million, offset against the (iii) proceeds from disposal of financial assets and property, plant and equipment amounting to \$2.78 million and \$0.24 million, respectively.

Net cash flow used in financing activities was approximately S\$0.26 million for the year ended 31 December 2024. Net cash flow was mainly used in: (i) repayment of bank loans of approximately S\$0.73 million and (ii) repayment of lease liabilities of approximately S\$1.47 million, offset against the proceed of bank borrowings of S\$2.10 million.



MANAGEMENT DISCUSSION AND ANALYSIS

GEARING RATIO

Gearing ratio is measured by interest-bearing bank and other borrowings divided by the total equity. The Group's policy is to keep the gearing ratio at a reasonable level. The gearing ratio is 0.29 as at 31 December 2024 (31 December 2023: 0.30).

RISK OF EXCHANGE RATE FLUCTUATION

The Group has currency exposures arising from sales, purchases and interest-bearing bank and other borrowings that are denominated in a currency other than the functional currency of the Group. No hedge has been taken up to mitigate this exposure.

CHARGE ON ASSETS

As at 31 December 2024, the Group's long term loans are secured by a legal mortgage of the Group's freehold property which had a carrying amount of approximately S\$2.0 million (2023: approximately S\$2.0 million).

CONTINGENT LIABILITIES

The Group had no material contingent liabilities as at 31 December 2024 (2023: Nil).

CAPITAL STRUCTURE

As at 31 December 2024, the Company had 2,000,000,000 shares of HK\$0.0025 each in issue. The value of share capital was approximately S\$0.9 million as at 31 December 2024 (2023: approximately S\$0.9 million).

Subsequent to the year end, on 7 January 2025, the Company entered into a placing agreement (the "Placing") with Yuet Sheung International Securities Limited (the "Placing Agent"), pursuant to which the Company conditionally agreed to place, through the Placing Agent on a best endeavour basis, up to 400,000,000 shares of the Company (the "Placing Shares") to not less than six placees, who and whose ultimate beneficial owner(s) (where applicable) shall be Independent Third Party(ies) (as defined in the Company's announcement dated 7 January 2025), at a placing Price of HK\$0.04 (the "Placing Price") per Placing Share. The Placing of 400,000,000 Placing Shares at the Placing Price was completed on 23 January 2025. For further information in relation to the Placing, please refer to the announcements of the Company dated 7 January 2025 and 23 January 2025.

On 9 January 2025, the Company announced the proposal of (i) the share consolidation pursuant to which every fifty (50) issued and unissued existing shares of HK\$0.0025 each in the share capital of the Company would be consolidated into one (1) consolidated share of HK\$0.125 each (the "Share Consolidation"); and (ii) the change in board lot size for trading on the Stock Exchange from 5,000 existing shares to 1,000 consolidated shares subject to and upon the Share Consolidation becoming effective (the "Change in Board Lot Size"). The Share Consolidation was approved by the Company's shareholders at the Company's extraordinary general meeting held on 18 February 2025. As such, the Share Consolidation and the Change in Board Lot Size have become effective on 20 February 2025.



MANAGEMENT DISCUSSION AND ANALYSIS

Upon the completion of the Placing and the Share Consolidation, the authorised share capital of the Company was HK\$20,000,000 divided into 160,000,000 consolidated shares of par value of HK\$0.125 each, of which 48,000,000 consolidated shares were in issue which were fully paid or credited as fully paid.

As at the date of this report, the authorised share capital of the Company is HK\$20,000,000 divided into 160,000,000 consolidated shares of par value of HK\$0.125 each, of which 48,000,000 consolidated shares are in issue which are fully paid or credited as fully paid.

For further information in relation to the Share Consolidation and Change in Board Lot Size, please refer to the announcements of the Company dated 9 January 2025 and 18 February 2025 and the circular of the Company dated 23 January 2025.

EMPLOYEES AND REMUNERATION POLICY

As at 31 December 2024, the Group had a total number of 130 full-time employees (31 December 2023: 139). The remuneration packages of all employees are determined based on factors such as the employees' individual qualifications, contribution to the Group, performance and years of work experience. The Group provides ongoing training to the staff in order to enhance their technical skills and product knowledge and to provide them with updates with regards to industry quality and work safety standards.

SIGNIFICANT INVESTMENT, MATERIAL ACQUISITIONS OR DISPOSAL OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

Save as to the disclosed herein, the Group did not have any significant investments during the year ended 31 December 2024 and did not have any material acquisition and disposal of subsidiary, associates or joint ventures during the year ended 31 December 2024.

FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS AND EXPECTED SOURCES OF FUNDING

As at the date of this report, the Board does not have any plan for material investments or capital assets.

MATERIAL LEGAL PROCEEDINGS

As at 31 December 2024, the Group were not involved in any material legal proceedings. To the best knowledge of the Directors, there was no material legal proceeding or claim which is pending or threatening against the Group.



DIRECTORS AND SENIOR MANAGEMENT

The Board currently consists of 7 Directors, comprising 3 Executive Directors, 1 Non-Executive Director and 3 Independent Non-Executive Directors. The functions and duties of the Board include convening shareholders' meetings, reporting on the Board's work at these meetings, implementing the resolutions passed at these meetings, determining business and investment plans, formulating our annual budget and final accounts, and formulating our proposals for profit distributions and for the increase or reduction of registered capital. In addition, the Board is responsible for exercising other powers, functions and duties in accordance with the articles of association of the Company (the "Articles of Association").

EXECUTIVE DIRECTORS

Mr. WANG Lei (王雷) ("Mr. Wang"), aged 37, was appointed as the co-chairman of the Board, the chief executive officer and executive Director as recommended by the nomination committee (the "Nomination Committee") of the Company and approved by the Board on 9 February 2022. He was re-designated from the co-chairman to the chairman of the Company (the "Chairman") on 30 December 2024. He is a member of each of the remuneration committee (the "Remuneration Committee"), the Nomination Committee and the risk management committee (the "Risk Management Committee") of the Company.

Mr. Wang has extensive management experience in companies engaged with online and technology businesses. From 2014 to 2015, he was the chief executive officer of Beijing Qiyouquan Technology Company Limited* (北京球友圈網路科技有限責任公司), mainly responsible for promoting online booking systems with respect to different sports activities. During the period from 2016 to 2017, Mr. Wang was the director of the car sharing department of Beijing Electric Vehicle Co., Ltd.* (北京新能源汽車股份有限公司) and was responsible for the management and coordination of the online electric car sharing platform. From 2017 to 2019, Mr. Wang has become the general manager of Beijing Zhicai Technology Company Limited* (北京智裁科技有限公司) and was responsible for the company's overall management and researches on products (including but not limited to pre-packaged food and smart electrical appliances).

Save as disclosed above, Mr. Wang does not hold any other position with the Company and other members of the Group and does not have any relationship with any directors, senior management or substantial or controlling shareholder of the Company.

Mr. CHUA Boon Hou (CAI Wenhao) (蔡文豪) ("Mr. Chua"), aged 52, is the Chief Operating Officer and an Executive Director. He is primarily responsible for the management and operation of the Group such as implementing strategic management and monitoring key performance indicators of the Group. His other responsibilities include the day-to-day management of the operational aspects of both KBS Motorsports Pte. Ltd. and MBM Wheelpower Pte. Ltd.. He currently heads the human resource department of the Group and is responsible for the recruitment of new talents into the Group. Mr. Chua was appointed to the Board on 13 April 2016. He is also a member of the Risk Management Committee and the compliance officer of the Company. He has over 15 years of experience in the automobile industry.

Mr. Chua graduated from Nanyang Technological University, Singapore, in January 1997 with a degree of bachelor of business. Shortly after his graduation, Mr. Chua obtained a diploma in life insurance from the Singapore College Insurance in May 1999. Besides being a Fellow to the Life Management Institute (FLMI) in May 1997, he also became an associate to the Academy of Life Underwriting (AALU) in July 2006. Prior to joining the Group in April 2008, Mr. Chua had experience with several insurance companies including Great Eastern Life Insurance, Prudential Assurance Company Singapore (Pte) Limited and NTUC Income Insurance Co-operative Limited.



DIRECTORS AND SENIOR MANAGEMENT

In view of his work experience, Mr. Chua was invited to the Group as an administrative manager in charge of the administration and customer services of the Group in April 2008. Over the years, he rose steadily through the ranks becoming our human resource manager in January 2012 and appointed as our chief operating officer in December 2015 in recognition for his continuous contribution to the Group.

Save as disclosed above, Mr. Chua does not hold any other position with the Company and other members of the Group and does not have any relationship with any directors, senior management or substantial or controlling shareholder of the Company.

Ms. WU Mengmeng (吳蒙蒙) (“Ms. Wu”), aged 33, is an executive Director. She was appointed as an executive Director on 30 May 2024. She obtained a bachelor’s degree of Electronic Commerce from Beijing Union University in 2016. She is currently pursuing an Executive Master of Business Administration at the Guanghai School of Management. Ms. Wu has more than 9 years of experiences on technology industries and management of e-commerce corporations. She is a general manager of marketing centre of the Company. Prior to joining the Group in 2017, she was the founder of Zhongbo Yayi (Tianjin) Cultural Development Co., Ltd.* (中博雅藝(天津)文化發展有限公司) until 2016.

Save as disclosed above, Ms. Wu does not hold any other position with the Company and other members of the Group and does not have any relationship with any directors, senior management or substantial or controlling shareholder of the Company.

NON-EXECUTIVE DIRECTOR

Mr. LI Xiaodong (李曉東) (“Mr. Li”), aged 45, is a non-executive Director. He was appointed as a non-executive Director on 30 May 2024. He has more than 20 years of extensive experiences covering marketing analysis, agricultural and car industry. He is familiar with building and planning comprehensive industrial chain business models. Mr. Li is the general manager of strategic investment department of the Company. He graduated from Beihang University in 2013, studying administrative management. Prior to joining the Group in 2022, he was the co-founder of Beijing Feichang Technology Co., Ltd.* (北京非嘗科技有限公司) until 2022. From 2017 to 2019, he was a partner of Beijing Xixi Cloud Vision Technology Co., Ltd.* (北京喜喜雲視科技有限公司). From 2015 to 2017, he was a business cooperation director of Beijing Siyuan Group (北京思源集團). From 2012 to 2015, he was a co-founder (Beijing District General Manager) of Beijing Calculus Network Technology Co., Ltd.* (北京微積分網絡科技有限公司).

Save as disclosed above, Mr. Li does not hold any other position with the Company and other members of the Group and does not have any relationship with any directors, senior management or substantial or controlling shareholder of the Company.



DIRECTORS AND SENIOR MANAGEMENT

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. CHEN Huichun (陳回春) (“Mr. Chen”), aged 52, was appointed as an Independent Non-Executive Director of the Company on 11 September 2019. He is also a member of the Nomination Committee and the Audit Committee.

Mr. Chen is an entrepreneur with extensive experience in the real estate industry in mainland China. In July 2018, Mr. Chen completed a business administration programme and obtained a Bachelor’s degree in Management from 西北民族師範學院 (Northwest Minzu Normal University*). In the past over ten years, he has established a number of real estate companies, such as 鞍山市共榮房地產開發有限責任公司 (Anshan City Gongrong Real Estate Development Co., Ltd.*), 鞍山市共成房地產開發有限公司 (Anshan City Gongcheng Real Estate Development Co., Ltd.*) and 鞍山市共富房地產開發有限公司 (Anshan City Gongfu Real Estate Development Co., Ltd.*), in which he played a leading role. Mr. Chen has extensive management experience in the real estate field and a continuing and firm vision for investment. Coupled with his excellent management capability, he is an outstanding and successful entrepreneur. Mr. Chen is currently involved in the field of new energy vehicles and is committed to contributing to the economic development and the construction of green homes of Anshan City.

Save as disclosed above, Mr. Chen does not hold any other position with the Company and other members of the Group and does not have any relationship with any directors, senior management or substantial or controlling shareholder of the Company.

Mr. GAO Yan (高岩) (“Mr Gao”), aged 59, was appointed as an Independent Non-Executive Director as recommended by the Nomination Committee and approved by the Board on 30 June 2022. He is also the Chairman of the Audit Committee and the Remuneration Committee.

Mr. Gao Yan has more than 35 years of extensive experiences covering education, marketing analysis, finance and investment management. From September 1988 to September 1990, he was a teacher in the faculty of mathematics in Beijing Wuzi University. During the period from July 1995 to March 1996, Mr. Gao was an intern analyst in high yield bond research department of Merrill Lynch & Co. Inc. From March 1996 to September 1997, he was Asian market analyst of Cathay Financial LLC. During the period from September 2001 to September 2003, Mr. Gao was visiting assistant professor of The City University of New York, Baruch College. He was assistant professor of California State University, Los Angeles and China Europe International Business School, Shanghai from September 2003 to September 2004 and from September 2004 to September 2010 respectively. Mr. Gao then was a partner of Guizhou Tongsheng Shifu Equity Investment Management Co., Ltd. from December 2012 to June 2017. During the period from December 2013 to January 2019, he was the general manager, director and one of the founders of Beijing Zhigan Sensor Research Institute Co., Ltd. From July 2016 to June 2018, Mr. Gao was the managing director of Beevest Securities Limited.

Mr. Gao has been the deputy director, Center for Innovation and Entrepreneurship and a professor of management practice of Beijing University, Guanghua School of Management since January 2014. He has been a partner of KEII Business Consulting Co., Ltd. since March 2017 and an investment partner of TDRH Capital Co., Ltd. since November 2020. Mr. Gao was appointed as independent director of Sino Medical Sciences Technology Inc. (Stock Code: 688108.SH), a company listed on the Shanghai Stock Exchange, on 19 June 2020.

DIRECTORS AND SENIOR MANAGEMENT

Mr. Gao is the Chartered Financial Analyst since September 2003. He was the vice chairman of The Chinese Finance Association. Mr. Gao received a bachelor's degree of Computational Mathematics from Beijing University in 1988 and a master's degree of Mathematics from Michigan State University in 1992. He completed a doctor of management program and MBA course from The City University of New York, Baruch College in 1995. Mr. Gao was conferred the degree of doctor of philosophy from Northwestern University in 2002. He also received a degree of doctor of finance from Northwestern University, Kellogg School of Management in 2002. Mr. Gao has independent director qualifications of the Shanghai Stock Exchange and Shenzhen Stock Exchange.

Save as disclosed above, Mr. Gao does not hold any other position with the Company and other members of the Group and does not have any relationship with any directors, senior management or substantial or controlling shareholder of the Company.

Mr. ZHAO Wei (趙為) ("Mr. Zhao"), aged 60, is an Independent Non-Executive Director of the Company. Mr. Zhao was appointed to the Board on 20 October 2021. He is also the chairman of the Nomination Committee and the Risk Management Committee, and a member of the Audit Committee and the Remuneration Committee.

Mr. Zhao has over 30 years of experience in the information technology service industry, especially computer software. He has served as a executive director of Tansun Technology Co., Ltd.* (天陽宏業科技股份有限公司) since 2023. Mr. Zhao graduated from Peking University* (北京大學) and obtained a bachelor's degree and a master's degree on Computer Science in 1988 and 1991 respectively.

Save as disclosed above, Mr. Zhao does not hold any other position with the Company and other members of the Group and does not have any relationship with any directors, senior management or substantial or controlling shareholder of the Company.

COMPANY SECRETARY

Mr. LO Kam Tai (盧錦泰) ("Mr. Lo"), aged 36, joined the Group on 30 June 2022 as the company secretary of the Company (the "Company Secretary").

Mr. Lo holds a bachelor degree of accounting and is a member of the Hong Kong Institute of Certified Public Accountants. Mr. Lo has extensive experience in auditing, accounting and corporate compliance. Mr. Lo is currently a director of a corporate professional service firm in Hong Kong. Mr. Lo is not a full time employee of the Company, the primary person at the Company whom Mr. Lo shall be contacted in respect of company secretarial matters is Ms. Wu, the executive Director.

COMPLIANCE OFFICER

Mr. CHUA Boon Hou (CAI Wenhao) ("Mr. Chua") is an Executive Director and the compliance officer of the Company. Please refer to Mr. Chua's biography as disclosed in the paragraph headed "Executive Directors" in this section of this annual report.

* For identification purpose only



CORPORATE GOVERNANCE REPORT

COMPLIANCE WITH CORPORATE GOVERNANCE CODE

The Company is committed to achieving high standards of corporate governance. The Directors believe that sound and reasonable corporate governance practices are essential for the continuing growth of the Group and for safeguarding and maximising shareholders' interests.

Pursuant to code provision C.2.1 of the Corporate Governance Code as set out in Appendix C1 of the GEM Listing Rules (the "CG Code"), the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. However, we do not have a separate chairman and chief executive officer and Mr. WANG Lei is currently a Chairman and the Chief Executive Officer of the Group. The Board believes that vesting the roles of both chairman and chief executive officer in the same person has the benefit of ensuring the consistent leadership within the Group and enables more effective and efficient overall strategic planning of the Group. The Board considers that the balance of power and authority for the present arrangement will not be impaired and this structure will enable the Company to make and implement decisions promptly and effectively. The Board will continue to review and consider splitting the roles of chairman of the Board and chief executive officer of the Company at a time when it is appropriate and suitable by taking into account the circumstances of the Group as a whole.

Save as disclosed above, the Directors consider that throughout the year ended 31 December 2024, the Company has applied the principles and complied with all the applicable code provisions set out in the CG Code.

PURPOSE, VALUES AND STRATEGY

The Company has the purpose of exceling in its traditional car service industry and its new smart kitchen appliances industry. When maintaining the competitive advantage of its traditional business, the Company strategically expands its business by diversifying into new industry and into new geographical locations. The core value of the Company is to provide the best experience to its customers and to enhancing shareholder value.

To achieve the above, the Board promotes a dedicated culture to serve with highest standard and integrity in the Group's daily operations, and cultivated a competent and committed team.

BOARD DIVERSITY POLICY

The Board has adopted a policy of the Board diversity (the "Board Diversity Policy") which sets out the approach to achieve diversity on the Board. Under the Board Diversity Policy, the Company considers diversity of Board members to be achieved through consideration of a number of aspects, including but not limited to, gender, age, cultural and educational background, professional experience, skills and knowledge. All Board appointments are based on merit, and candidates are considered against objective criteria, having due regard for the benefits of diversity on the Board.

The Nomination Committee is responsible for reviewing and monitoring the implementation of the Board Diversity Policy to ensure the effectiveness of the Board Diversity Policy.

As at the date of this report, the Board comprises seven Directors. Three of the Directors are independent non-executive Directors and independent of management, thereby promoting critical review and control of the management process. The Board believes that gender diversity is a representing manifestation of Board diversity, among all other measurable objectives. While the Board has a domination of male composition, the Company has one female Director achieving a female representation in the Board. The Board is of the view that the existing gender diversity in respect of the Board is sufficient, and that the nomination policy of the Company can ensure that there will be a pipeline of potential successors to the Board which continues the existing gender diversity in the Board. The Board is also characterised by significant diversity, whether considered in terms of professional background and skills.

As at 31 December 2024, the gender ratio of the Group's workforce was approximately 70% male to 30% female due to car industry traditionally has less female participants. The Company's hiring is merit-based and non-discriminatory. The Board is satisfied that the Company has achieved gender diversity in its workforce.

NOMINATION POLICY

The Company adopted a nomination policy on 15 March 2019, which establishes written guidelines to Nomination Committee to identify individuals suitably qualified to become Board members and make recommendations to the Board on the selection of individuals nominated for directorships with reference to the formulated criteria. The Board is ultimately responsible for selection and appointment of new Directors. The Board, through the delegation of its authority to the nomination committee, has used its best efforts to ensure the Board has a balance of skills, experience, and diversity of perspectives appropriate to the requirements of the Company's business. Collectively, they have competencies in areas which are relevant and valuable to the Group.

DIVIDEND POLICY

The Company adopted a dividend policy on 15 March 2019 in deciding whether to propose a dividend and in determining the dividend amount, the Board shall take into account, among other things, the following factors:

- (a) the Company's current and future operations, actual and expected financial performance;
- (b) any corporate development plans;
- (c) the Group's liquidity position, working capital and capital expenditure requirements and future expected capital needs;
- (d) the level of the Group's debt to equity ratio, return on equity and the relevant financial covenants;
- (e) any restrictions on payments of dividends that may be imposed by the Group's lenders or other third parties;
- (f) retained earnings and distributable reserves of the Company and each of the members of the Group;
- (g) general economic conditions, the business cycle of the Group's business and other internal and external factors that may have an impact on the business or financial performance and position of the Company; and
- (h) any other factor that the Board deems appropriate and relevant.

The recommendation of the payment of dividend is subject to the determination of the Board, and, any declaration of final dividend for the year will be subject to the approval of the shareholders. The payment of dividend is also subject to any restrictions under the Companies Law of the Cayman Islands and any other applicable laws, rule and regulations and the third amended and restated memorandum and articles of association (the "Articles of Association") of the Company.



CORPORATE GOVERNANCE REPORT

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the code of conduct for securities transactions by Directors on terms equivalent to the Rules 5.48 to 5.67 of the GEM Listing Rules (the "Model Code"). The Company had made specific enquiries with written guidelines in relation to the Model Code to all Directors and all Directors have confirmed that they complied with the required standards set out in the Model Code for the year ended 31 December 2024.

THE BOARD

The Directors of who held office during the year ended 31 December 2024 and up to the date of this annual report were:

EXECUTIVE DIRECTORS

Mr. WANG Lei (*Chairman and Chief Executive Officer*)
Mr. FENG Wei (*Co-Chairman*) (resigned on 30 December 2024)
Mr. CHUA Boon Hou (CAI Wenhao)
Ms. WU Lili (resigned on 30 May 2024)
Ms. WU Mengmeng (appointed on 30 May 2024)

NON-EXECUTIVE DIRECTORS

Mr. WANG Bing (resigned on 30 May 2024)
Mr. ZHAO Yanjiao (resigned on 20 September 2024)
Mr. LI Xiaodong (appointed on 30 May 2024)

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. CHEN Huichun
Mr. GAO Yan
Mr. ZHAO Wei

Ms. Wu Mengmeng and Mr. Li Xiaodong obtained the legal advice as set out in Rule 5.02D of the GEM Listing Rules on 29 May 2024. Each of them has confirmed their understanding of their respective obligations as directors of a listed issuer.

Biographical details of the Directors are shown on pages 12 to 15 of this report. The List of Directors and their Role and Function was published both on the GEM website and the Company's website. The Board is currently supported by the Audit Committee, Remuneration Committee, Nomination Committee and Risk Management Committee to oversee specific areas of the Company's affair. Each of these committees has been established with written terms of reference, which were approved by the Board, setting out the committee's major duties and responsibilities. These terms of reference were published both on the GEM website and the Company's website.

The overall management of the Company's business is vested in the Board, which assumes the responsibility for leadership and control of the Company and the Directors are collectively responsible for promoting the success of the Company by directing and supervising the Company's affairs and overseeing the achievement of strategic plans to enhance shareholders' value.

Generally, the Board is responsible for all major aspects of the affairs of the Company, including:

- formulation of overall strategies and review of its financial performance and results and the internal control systems;
- policies relating to key business and financial objectives of the Company;
- material transactions, including acquisition, investment, disposal of assets or capital expenditure;
- appointment, removal or reappointment of Board members and auditors;
- communication with key stakeholders, including shareholders and regulatory bodies; and
- recommendation to shareholders on final dividend and the declaration of any interim dividends.

The Board is responsible for maintaining proper accounting records so as to enable the Directors to monitor and disclose with reasonable accuracy the financial position of the Group. The Board updates the Company's shareholders ("Shareholders") on the operations and financial position of the Group through interim and annual results announcements as well as the publication of timely reports and announcements of other matters as prescribed by the relevant laws, rules and regulations.

Directors are also provided with access to independent professional advice, where necessary, in carrying out their obligations as Directors, at the expense of the Company.

All Directors, including independent non-executive Directors assume the responsibilities to Shareholders for the well-being and success of the Company. They are aware of their duties to act in good faith and in the best interests of the Company.

The non-executive Directors (including the independent non-executive Directors), advise the Company on strategic and critical matters. The Board considers that each non-executive Director brings his own senior level of experience and expertise to the constructive functioning of the Board. To this end, regular informal meetings are held between the executive Directors and non-executive Directors. The Chairman held meetings with the non-executive Directors at least annually without presence of the executive Directors to evaluate the functioning of the Board.

Each of the Directors has entered into a service contract or has signed a letter of appointment with the Company for a term of three years. The appointments are subject to the provisions of the Articles of Association with regard to vacation of office of Directors, removal and retirement by rotation of Directors.

The executive Directors are delegated with responsibility to oversee and monitor the operation of specific business areas and to implement the strategies and policies set by the Board.

INDEPENDENCE OF INDEPENDENT NON-EXECUTIVE DIRECTORS

During the reporting period, the Company met the requirements of the GEM Listing Rules relating to the appointment of at least three independent non-executive Directors representing at least one-third of the Board and with at least one of whom is with appropriate professional qualifications or accounting or related financial management expertise.

Each of the independent non-executive Directors has made written annual confirmation of his independence pursuant to Rule 5.09 of the GEM Listing Rules. Upon review, the Board concluded that all the independent non-executive Directors are independent within the meaning of the GEM Listing Rules.



CORPORATE GOVERNANCE REPORT

THE BOARD COMMITTEES

AUDIT COMMITTEE

The Audit Committee was established on 21 October 2016 with written terms of reference which were revised and adopted on 15 March 2019 in compliance with Rule 5.29 of the GEM Listing Rules and the CG Code. Currently, the Audit Committee has three members, namely Mr. GAO Yan, Mr. CHEN Huichun and Mr. ZHAO Wei, each of whom is an Independent Non-Executive Director. Mr. GAO Yan has been appointed as the chairman of the Audit Committee, and has the appropriate professional qualifications required under the GEM Listing Rules. The primary duties of the Audit Committee are to review and supervise the financial reporting process and internal control system of the Group, making recommendations to the Board on the appointment, reappointment and removal of the external auditor and approving the remuneration and terms of engagement of the external auditor, oversee the audit process and perform other duties and responsibilities as assigned by the Board.

During the year ended 31 December 2024, the Audit Committee held 3 meetings, at which it has reviewed and discussed the interim and annual financial results of the Group, including the accounting principles and practice adopted by the Group, the Company's compliance with the CG Code and disclosure in the Corporate Governance Report, the effectiveness of the Group's risk management and internal control systems (including environmental, social and governance ("ESG") risks), the Group's internal audit function and recommendation on appointment of auditor. The Audit Committee has also recommended to the Board to consider the re-appointment of CL Partners CPA Limited as the Company's external independent auditors at the next annual general meeting of the Company.

REMUNERATION COMMITTEE

The Remuneration Committee was established on 21 October 2016 with written terms of reference which were revised and adopted on 28 December 2022 in compliance with the CG Code. Currently, the Remuneration Committee has three members, namely Mr. GAO Yan, an Independent Non-Executive Director, Mr. ZHAO Wei, an Independent Non-Executive Director and Mr. WANG Lei, an Executive Director, Chairman and Chief Executive Officer. Mr. GAO Yan has been appointed as the chairman of the Remuneration Committee. The primary duties of the Remuneration Committee are to establish and review the policy and structure of the remuneration for the Directors and senior management and make recommendations on employee benefit arrangements. No Director was involved in deciding his own remuneration.

During the year ended 31 December 2024, the Remuneration Committee held 2 meeting, at which it recommended to the Board (i) for consideration the distribution of discretionary bonus to executive Directors and senior management for the year 2024; (ii) on the remuneration packages for executive Directors and senior management for the year 2024; (iii) on the remuneration packages for independent non-executive Directors for the year 2024; and (iv) on the remuneration packages for new directors.

NOMINATION COMMITTEE

The Company established the Nomination Committee on 21 October 2016 with written terms of reference where were revised and adopted on 15 March 2019 in compliance with the CG Code. Currently, the Nomination Committee consists of three members, being Mr. ZHAO Wei, an Independent Non-Executive Director, Mr. CHEN Huichun, an Independent Non-Executive Director and Mr. WANG Lei, an Executive Director, Chairman and Chief Executive Officer. The primary duties of the Nomination Committee are to make recommendations to the Board on the appointment and removal of Directors and to be responsible for reviewing the structure, size, diversity and composition of the Board on a regular basis.

During the year ended 31 December 2024, the Nomination Committee held 2 meeting, at which it (i) assessed the independence of the Independent Non-Executive Directors; (ii) recommended to the Board for consideration the re-appointment of all the retiring Directors at the annual general meeting; and (iii) recommended to the Board on the appointments of new directors.

RISK MANAGEMENT COMMITTEE

The Company established the Risk Management Committee on 21 October 2016. Currently, the Risk Management Committee has three members, namely Mr. ZHAO Wei, an Independent Non-Executive Director, Mr. WANG Lei, an Executive Director, Chairman and Chief Executive Officer and Mr. CHUA Boon Hou (CAI Wenhao), an Executive Director. The primary functions of the Risk Management Committee include reviewing (i) the Company's significant transactions, including tenancy agreements, together with the finance department; and (ii) the Company's risk management policies and standards (including ESG risks), and monitoring the Company's exposure to sanctions law risks.

During the year ended 31 December 2024, the Risk Management Committee held 1 meeting, at which it reviewed the system of risk management and internal control (including ESG risks) of the Group and its effectiveness.

CORPORATE GOVERNANCE REPORT

COMMITTEE MEETINGS

PRACTICES AND CONDUCT OF MEETINGS

Code provision C.5.1 of the CG Code prescribes that at least 4 regular Board meetings should be held in each year at approximately quarterly intervals with active participation of majority of directors, either in person or through other electronic means of communication. The Board will schedule to have at least four regular meetings in a year. Other Board meetings will be held if necessary.

MEETINGS HELD AND ATTENDANCE

The composition of the Board and the committees, and the individual attendance records of each Director at the Board and committees' meetings during the year ended 31 December 2024 are set out below:

Name of the Directors	Actual Attendance/Number of Meetings a Director is entitled to attend					
	Board Meetings	Audit Committee Meetings	Remuneration Committee Meetings	Nomination Committee Meetings	Risk Management Committee Meetings	Annual General Meetings
Executive Directors						
Mr. WANG Lei	9/9	N.A.	2/2	2/2	1/1	1/1
Mr. FENG Wei (resigned on 30 December 2024)	7/7	N.A.	N.A.	N.A.	N.A.	1/1
Mr. CHUA Boon Hou (CAI Wenhao)	9/9	N.A.	N.A.	N.A.	1/1	1/1
Ms. WU Lili (resigned on 30 May 2024)	2/2	N.A.	N.A.	N.A.	N.A.	N.A.
Ms. WU Mengmeng (appointed on 30 May 2024)	6/6	N.A.	N.A.	N.A.	N.A.	1/1
Non-Executive Directors						
Mr. WANG Bing (resigned on 30 May 2024)	2/2	N.A.	N.A.	N.A.	N.A.	N.A.
Mr. ZHAO Yanjiao (resigned on 20 September 2024)	6/6	N.A.	N.A.	N.A.	N.A.	0/1
Mr. LI Xiaodong (appointed on 30 May 2024)	6/6	N.A.	N.A.	N.A.	N.A.	1/1
Independent Non-Executive Directors						
Mr. CHEN Huichun	9/9	3/3	N.A.	2/2	N.A.	1/1
Mr. GAO Yan	9/9	3/3	2/2	N.A.	N.A.	1/1
Mr. ZHAO Wei	9/9	3/3	2/2	2/2	1/1	1/1

DIRECTORS' CONTINUOUS TRAINING AND PROFESSIONAL DEVELOPMENT

In compliance with the code provision C.1.4 of the CG Code, all Directors shall participate in continuous professional development to develop and refresh their knowledge and skills to ensure that their contribution to the Board remains informed and relevant. During the year ended 31 December 2024, the Directors were provided with timely updates on the Company's performance and financial position to enable the Board as a whole and each Director to discharge their duties.

The Group continuously updated the Directors on the latest developments regarding the GEM Listing Rules and other applicable regulatory requirements, as well as providing Director's training to the newly appointed Directors so as to ensure each Director is aware of his responsibilities and obligations under the GEM Listing Rules and relevant regulations, and maintaining good corporate governance practices.

DIRECTORS' RESPONSIBILITY IN RESPECT OF THE FINANCIAL STATEMENTS

The Board acknowledges its responsibility to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Group. The Board is not aware of any material uncertainties relating to events or condition that might cast significant doubt upon the Company's ability to continue in business. Accordingly, the Board has prepared the financial statements of the Company on a going concern basis. The Board also acknowledges its responsibility to present a balanced, clear and understandable assessment in the Company's annual, half-yearly and quarterly reports, other price-sensitive announcements and other financial disclosures required under the GEM Listing Rules, and reports to the regulators as well as to information required to be disclosed pursuant to statutory requirements.

The responsibility of the independent auditor is to form an independent opinion, based on their audit, on those consolidated financial statements prepared by the Board and to report their opinion to the Shareholders. A statement by auditor about their reporting responsibility is set out in the Independent Auditor's Report.

Having made appropriate enquiries and examined major areas which could give rise to significant financial exposures, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements for the year, the Directors considered the Group has applied appropriate accounting policies consistently, made judgments and estimates that are reasonable in accordance with applicable accounting standards.

During the year ended 31 December 2024, the interim and annual results and reports were published within the time limits as required under the GEM Listing Rules after the end of the relevant periods to provide stakeholders with transparent and timely financial information.

CORPORATE GOVERNANCE REPORT

AUDITOR'S REMUNERATION

During the year ended 31 December 2024, the remuneration, reviewed and approved by the Audit Committee on the audit and non-audit scope, paid or payable to the auditor in respect of audit and non-audit services provided by the auditor of the Group, CL Partners CPA Limited, is as follows:

Nature of Service	2024 Amount S\$'000
Audit services	189
Non-audit services	–
Total	189

MECHANISM REGARDING INDEPENDENT VIEWS TO THE BOARD

The Board has implemented different ways to ensure independent views and input are available to the Board. The implementation and effectiveness of such mechanism was reviewed on an annual basis. The Board considers that such mechanism has been implemented properly and effectively.

The mechanism is disclosed below:

(i) Composition

The Board ensures the appointment of at least three independent non-executive Directors and at least one-third of its members being independent non-executive Directors (or such higher threshold as may be required by the GEM Listing Rules from time to time), with at least one independent non-executive Director possessing appropriate professional qualifications, or accounting or related financial management expertise. Further, independent non-executive Directors will be appointed to Board committees of the Company as required under the GEM Listing Rules and as far as practicable to ensure independent views are available.

(ii) Independence Assessment

The Nomination Committee strictly adheres to the nomination policy with regard to the nomination and appointment of independent non-executive Directors, and is mandated to assess annually the independence of independent non-executive Directors to ensure that they can continually exercise independent judgement.

(iii) Board Decision Making

The Directors (including independent non-executive Directors), upon reasonable request, may seek independent professional advice at the Company's expense, to assist the performance of their duties.

If a substantial shareholder or a Director has a conflict of interest in a matter to be considered by the Board which the Board has determined to be material, the matter would be dealt with by a physical Board meeting rather than a written resolution.

A Director who has a material interest in a contract, transaction or arrangement shall not vote or be counted in the quorum on any Board resolution approving the same.

(iv) Board Evaluation

The Board assesses and reviews the time contributed by every independent non-executive Director and their attendance to meetings of the Board and the board committees so as to ensure that every independent non-executive Director has devoted sufficient time to the Board to discharge his/her responsibilities as a Director of the Company.

CORPORATE GOVERNANCE FUNCTION

No corporate governance committee has been established and the Board is responsible for performing the corporate governance functions such as (i) developing and reviewing the Company's policies, practices on corporate governance, training and the continuous professional development of the Directors and senior management, the Company's policies and practices on compliance with legal and regulatory requirements, etc; (ii) developing, reviewing and monitoring the code of conduct and compliance manual applicable to employees and Directors; and (iii) reviewing the Company's compliance with the CG Code and disclosure in the corporate governance report.

Every Board member has full access to the advice and services of the Company Secretary with a view to ensure that Board procedures, and all applicable rules and regulations are followed. They are also entitled to have full access to Board papers and related materials such that they are able to make an informed decision and to discharge their duties and responsibilities.

RISK MANAGEMENT AND INTERNAL CONTROL

The Company had established policies and procedures to identify, assess and manage major risks (including ESG risks) of the Group. The Board has overall responsibilities for establishing and maintaining an effective risk management and internal control systems (including ESG risks) of the Group and reviewing their effectiveness. However, such procedures are designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable and not absolute assurance against material misstatement or loss.

The management is responsible for implementing that procedures approved by the Board and to monitor compliance with the policies and procedures. The Board has outsourced the internal audit function to a professional risk consulting firm to perform the internal audit review on the control environment and key business processes of the Group. Based on discussions with the professional risk consultants, advisors and our management team, in view of their responses to the findings and recommendations on matters relating to internal controls, the Board is satisfied that there were no significant defects in Group's internal controls and risk management systems (including ESG risks) in terms of overall adequacy and effectiveness concerning the key operational, financial and compliance risks of the Group as at the date of this report.

Furthermore, the Company reminds the Directors and employees of the Group about due compliance with all policies regarding the inside information. The Company keeps the Directors and employees of the Group apprised of the latest regulatory updates to ensure compliance with the relevant regulatory requirements.



CORPORATE GOVERNANCE REPORT

COMPANY SECRETARY

The appointment and removal of the Company Secretary is subject to approval by the Board in accordance with the Articles of Association. The Company Secretary is responsible for ensuring the Board procedures and policy are followed and Board activities are effectively conducted. The Company Secretary is also responsible for maintaining minutes recorded in sufficient details of all the meetings of the Board and committees of the Company. Draft and final versions of minutes are disseminated to Directors for comment and filed for record purposes respectively within a reasonable time after each meeting. The Directors have full and timely access to the minutes of the Board and committees of the Company. The Company Secretary, Mr. LO Kam Tai, confirmed that he has complied with all the qualifications, experience, and professional training requirements of the GEM Listing Rules.

COMMUNICATION WITH THE SHAREHOLDERS

The Board has adopted a shareholder communication policy which is subject to annual review to ensure its implementation and effectiveness. Such policy aims at ensuring shareholders can have equal and timely access to information about the Company in order to enable the Shareholders to exercise their rights in an informed manner and to allow them to engage actively with the Company.

A summary of the Company's shareholder communication policy is as follows:

Information will be communicated to the Shareholders through the Company's financial reports, circulars and announcements, AGMs and other general meetings that may be convened, as well as all the disclosures submitted to the Stock Exchange for publication.

As a channel to further promote effective communication, the Company maintains a website at as a communication platform with Shareholders, where Company's announcements and press releases, business developments and operations, financial information, corporate governance report and other information are posted.

Shareholders' meeting is one of the channels for shareholders to communicate their views on various matters affecting the Company. The Company endeavours to maintain an on-going dialogue with Shareholders and in particular, through annual general meetings and other general meetings. Shareholders may make enquiries to the Company directly by raising questions at general meetings. Board members, in particular, the chairmen of Board committees or their delegates, appropriate management executives and external auditor will use all reasonable efforts to attend annual general meetings and to answer Shareholders' questions.

Furthermore, Shareholders are given sufficient notice of Shareholders' meetings, detailed procedures for conducting a poll was stated in circular to Shareholders accompanying the notice of the annual general meeting.

In order for the Company to solicit and understand the views of Shareholders, Shareholders may make enquiries to the Company through the contact method provided by the Company's website.

The Company reviewed the implementation and effectiveness of the shareholder communication policy has been properly implemented and during the year and considered that the policy is effective.

WHISTLEBLOWING POLICY

The Company has put in place whistleblowing policy which applies to all the directors and employees of the Group and any parties who deal with the Group. The policy is designed to provide the employees and any external parties with confidential whistleblowing channels to report to the Group the actual or suspected illegal activities and misconducts in corporate financial reporting, internal control or other areas.

Whistleblowers are able to contact the Board directly through the contact method provided on the Company's website. The identity of the whistleblower and all the concerns or irregularities raised will be treated with confidence and every effort will be made to ensure that confidentiality is maintained throughout the process.

The Audit Committee, which is responsible for oversight and monitoring of the whistleblowing policy and mechanism, will make decisions on further actions (if needed).

The Company is also committed to ensuring the protection of the whistleblower against detrimental or unfair treatment.

ANTI-CORRUPTION POLICY

The Group does not tolerate any corruption, bribery, extortion, fraud or money laundering during the course of its business activities. As such, it has formulated an anti-corruption policy (the "Anti-Corruption Policy") which prohibits all forms of corruption practice by making reference to the relevant laws and regulations. The Anti-Corruption Policy forms an integral part of the Group's corporate governance framework, which sets out the specific behavioural guidelines that the employees of the Group must follow to combat corruption. The Anti-Corruption Policy is reviewed and updated on a regular basis to align with the applicable laws and regulations as well as the industry best practices. All the employees are informed and expected to act with integrity, impartiality and honesty.

We encourage and provide directors and senior management with professional training sessions and seminars covering corporate governance, business development and strategy and anti-corruption to enrich and strengthen their professional and business knowledge.

SHAREHOLDERS' RIGHTS

The general meetings of the Company provided an opportunity for communication between Shareholders and the Board. An annual general meeting of the Company shall be held in each year and at the place as may be determined by the Board. Each general meeting, other than an annual general meeting, shall be called an extraordinary general meeting ("EGM").



CORPORATE GOVERNANCE REPORT

RIGHT TO CONVENE EGM AND PROCEDURES

Pursuant to Article 64 of the Articles of Association, the Board may, whenever it thinks fit, convene an EGM. Anyone or more member(s) holding at the date of the deposit of the requisition not less than one tenth of the paid-up capital of the Company carrying the right of voting at general meetings of the Company, shall at all times have the right, by written requisition sent to the Company's principal place of business as set out in the manner below, to require an EGM to be called by the Board for the transaction of any business specified in such requisition, and such meeting shall be held within two months after the deposit of such requisition.

Such requisition shall be made in writing to the Board or the Company Secretary at the following:

Principal place of business and headquarters in Singapore

Address: 160 Sin Ming Drive
#06-02 Sin Ming Autocity
Singapore 575722
Email: enquiry@zhongshiminan.com
Attention: Company Secretary

Registered office of the Company

Address: Windward 3, Regatta Office Park
P.O. Box 1350
Grand Cayman KY1-1108
Cayman Islands
Attention: Company Secretary

If within 21 days of such deposit, the Board fails to proceed duly to convene such EGM, the requisitionist(s) himself (themselves) may do so in the same manner, and all reasonable expenses incurred by the requisitionist(s) as a result of the failure of the Board shall be reimbursed to them by the Company.

For matters in relation to the Board, Shareholders can contact the Company at the following: by post to principal place of business of the Company in Hong Kong at Room E, 15th Floor, Leahander Centre, 28 Wang Wo Tsai Street, Tsuen Wan, New Territories, Hong Kong or by email to enquiry@zhongshiminan.com.

RIGHT TO PUT ENQUIRIES TO THE BOARD

Shareholders have the right to put enquiries to the Board. All such enquiries shall be in writing and sent by post to the principal place of business of the Company in Hong Kong for the attention of the Company Secretary. Shareholders may also make enquiries with the Board at the general meetings of the Company.

RIGHT TO PUT FORWARD PROPOSALS AT GENERAL MEETINGS

There are no provisions allowing Shareholders to propose new resolutions at the general meetings under the Companies Law (as revised) of the Cayman Islands, as amended, modified and supplemental from time to time. However, pursuant to the Articles of Association, Shareholders who wish to move a resolution may by means of requisitions convene an EGM following the procedures set out above.

CONSTITUTIONAL DOCUMENTS

A special resolution has been passed at the annual general meeting of the Company held on 29 June 2023 to adopt the Articles of Association in order to comply with the GEM Listing Rules.

Pursuant to Rule 17.102 of the GEM Listing Rules, the Company has published the Articles of Association on the respective websites of the Stock Exchange and the Company.

INVESTOR RELATIONS

The Board recognises the importance of maintaining on-going communication with Shareholders. The Company has adopted a Shareholders' communication policy and promotes communications with Shareholders through several communication channels including publication of notices, circulars and announcements of key developments, and quarterly, interim and annual reports as prescribed under the GEM Listing Rules which can also be accessed via the "Investor Relations" of the Company's website.

The aims of the Company are to improve its transparency, gain more understanding and confidence in relation to the Group's business developments and acquire more market recognition and support from Shareholders.

Shareholders are encouraged to attend all general meetings of the Company. The notices of the extraordinary general meetings and annual general meeting of the Company were circulated to all Shareholders in accordance with the requirements of the GEM Listing Rules and the Articles of Association. It is a standard practice to have the non-executive Directors available to answer questions relating to their roles, tenure, and the committees of the Board. The results of voting by poll are published on the GEM website and the Company's website after the meetings.

Any comments and suggestions to the Board can be addressed to the Hong Kong office or the Company Secretary by mail to Room E, 15th Floor, Leahander Centre, 28 Wang Wo Tsai Street, Tsuen Wan, New Territories, Hong Kong or email at enquiry@zhongshiminan.com.



CORPORATE GOVERNANCE REPORT

DISSEMINATION OF CORPORATE COMMUNICATIONS

Pursuant to Rule 16.04A of the GEM Listing Rules and the Articles of Association, the Company has adopted the arrangements to disseminate the future Corporate Communications (as defined under the GEM Listing Rules) of the Company to the Shareholders electronically and only send corporate communications in printed form to the Shareholders upon request. In this connection, the following arrangements have become effective from 31 December 2024:

1. ACTIONABLE CORPORATION COMMUNICATIONS

The Company will send the Actionable Corporate Communications (as defined under the GEM Listing Rules) to Shareholders individually in electronic form by email. If the Company does not possess the email address of a Shareholder or the email address provided is not functional, the Company will send the Actionable Corporate Communication in printed form together with a request form for soliciting the Shareholder's functional email address to facilitate electronic dissemination of Actionable Corporate Communications in the future.

2. CORPORATE COMMUNICATIONS

The Company will make the Corporate Communications available on its website (www.zhongshiminanholdings.com) and the Stock Exchange's website (www.hkexnews.hk).

A notice of publication of the website version of Corporate Communications, in both English and Chinese, will be sent by the Company to Shareholders by email or by post (only if the Company does not possess the functional email address of a Shareholder) on the publication date of the Corporate Communications.

For those Shareholders who wish to receive a printed version of all future Corporate Communications and Actionable Corporate Communications or, if for any reason, have difficulty in gaining access to the Company's website, the Company will, upon receipt of request in writing by the Shareholder to the Company's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong or by email to 8283-ecom@hk.tricorglobal.com, send future Corporate Communications and/or the relevant Actionable Corporate Communications (as the case may be) to such Shareholders in printed form free of charge.

Shareholders are encouraged to provide their up-to-date contact details (including electronic contact details) to the Hong Kong branch share registrar of the Company in order to facilitate timely and effective communications.

DIRECTORS' REPORT

The Directors hereby present their report and the audited consolidated financial statements of the Group for the year ended 31 December 2024.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The Company is an investment holding company. The Company's subsidiaries are involved in the following principal activities:

- (1) maintenance and repair of passenger cars;
- (2) modification, tuning and grooming of the performance or appearance of passenger cars and trading of spare parts and accessories;
- (3) provision of motor finance services;
- (4) trading of passenger cars; and
- (5) development, manufacturing, consultancy and sale of food and kitchen appliances and brand management services.

Further discussion and analysis of these activities as required by Schedule 5 to the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), including an indication of likely future development in the Group's business, can be found in the Management Discussion and Analysis in this annual report. This discussion forms part of this directors' report.

PRINCIPAL RISKS AND UNCERTAINTIES

A number of factors may affect the results and business operations of the Group, major risks are summarised below.

OUR BUSINESS DEPENDS HEAVILY ON OUR REPUTATION AND CONSUMER PERCEPTION OF THE QUALITY OF OUR SERVICES, AND ANY NEGATIVE PUBLICITY, HARM TO OUR REPUTATION, FAILURE TO MAINTAIN AND/OR ENHANCE OUR REPUTATION, OR FAILURE TO DEAL WITH CUSTOMER COMPLAINTS MAY MATERIALLY AND ADVERSELY AFFECT OUR BUSINESS, FINANCIAL CONDITION AND RESULTS OF OPERATIONS.

We believe that our reputation and consumer perception of the quality of our services are critical to our business. Maintaining and enhancing our reputation depends on the quality and consistency of our services, as well as the success of our marketing and promotional efforts. We believe that maintaining and enhancing our reputation is essential to our efforts to maintain and expand our customer base. In addition, our reputation may be harmed by negative publicity or unfavourable forum discussions, whether accurate or not, relating to the services provided by the Group, such as service quality issues, repair time and quotations.



DIRECTORS' REPORT

IMPOSITION OF LAWS OR REGULATIONS RESTRICTING THE CARRYING ON OF OUR BUSINESS, GOVERNMENT POLICIES ON PASSENGER CAR PURCHASES AND OWNERSHIP THEREFORE RESTRICTING ROAD USE IN SINGAPORE, OR MEASURES TO ENCOURAGE THE USE OF PUBLIC TRANSPORT, MAY HAVE A MATERIAL ADVERSE EFFECT ON OUR BUSINESS.

In Singapore, a certificate of entitlement ("COE") is required for the registration of a new vehicle in the appropriate vehicle category. A COE represents a right to vehicle ownership and use of the limited road space in Singapore for 10 years. The Singapore government controls the total number of vehicles in use by limiting the quota of COE. Any measures taken by the Singapore government to limit or reduce the number of passenger car registrations, therefore reducing the number of passenger cars on the roads, and/or measures to encourage the use of public transport, may materially and adversely affect the demand of our services.

MAJOR CUSTOMERS AND SUPPLIERS

During the year ended 31 December 2024, sales to the Group's five largest customers accounted for approximately 11.1% of total sales including sales to the largest customer which accounted for approximately 3.7% of total sales. The Group's five largest suppliers accounted for approximately 26.3% of total purchases during the year ended 31 December 2024 and purchases from the largest supplier included therein amounted to approximately 7.2% of total purchase.

None of the Directors or any of their close associates (as defined in the GEM Listing Rules), or any of the Shareholders (which, to the best knowledge of the Directors, own more than 5% of the Company's issued share capital) had any beneficial interest in the Group's five largest customers or its five largest suppliers during the year ended 31 December 2024.

SEGMENT INFORMATION

An analysis of the Group's performance for the year under review by operating segment is set out in Note 4 to the financial statements.

RESULTS AND DIVIDEND

The results of the Group for the year ended 31 December 2024 are set out in the consolidated financial statement on pages 49 to 117 of this annual report.

The Board did not recommend the payment of any dividend for the year ended 31 December 2024 (2023: Nil).

During the year ended 31 December 2024, there was no arrangement under which any Shareholder waived or agreed to waive any dividend.

CHARITABLE DONATIONS

The Group did not make any material charitable donations during the year ended 31 December 2024 (2023: Nil).

FIVE-YEAR FINANCIAL SUMMARY

A summary of the published result and assets, liabilities of the Group for the last five financial years, as extracted from the audited financial statements, is set out on page 118 of this annual report. This summary does not form part of the audited financial statements.

SHARE CAPITAL

Details of the movements in share capital of the Company during the year ended 31 December 2024 are set out in Note 26 to the financial statements.

PURCHASES, SALE OR REDEMPTION OF COMPANY'S LISTED SECURITIES OR SALE OF TREASURY SHARES

The Company or any of its subsidiaries has not purchased, sold or redeemed any of the Company's listed securities (including sale of treasury shares (as defined under the GEM Listing Rules) during the year ended 31 December 2024.

As at 31 December 2024, there were no treasury shares (as defined under the GEM Listing Rules) held by the Company.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Articles of Association or the laws of the Cayman Islands which would oblige the Company to offer new Shares on a pro rata basis to existing Shareholders.

DIRECTORS

The Directors during the year ended 31 December 2024 and up to the date of this report are as follows:

EXECUTIVE DIRECTORS

Mr. WANG Lei (*Chairman and Chief Executive Officer*)
Mr. FENG Wei (*Co-Chairman*) (resigned on 30 December 2024)
Mr. CHUA Boon Hou (CAI Wenhao)
Ms. WU Lili (resigned on 30 May 2024)
Ms. WU Mengmeng (appointed on 30 May 2024)

NON-EXECUTIVE DIRECTORS

Mr. WANG Bing (resigned on 30 May 2024)
Mr. ZHAO Yanjiao (resigned on 20 September 2024)
Mr. LI Xiaodong (appointed on 30 May 2024)



DIRECTORS' REPORT

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. CHEN Huichun
Mr. GAO Yan
Mr. ZHAO Wei

In accordance with Article 108(a) of the Articles of Association, Mr. CHUA Boon Hou (CAI Wenhao), Mr. GAO Yan and Mr. ZHAO Wei will retire from the Board by rotation at the forthcoming annual general meeting and, being eligible, offer themselves for re-election.

The biographical details of the Directors and the senior management of the Company are set out in the section headed "Directors and Senior Management" of this annual report.

DIRECTORS' SERVICE CONTRACTS

Each of the Executive Directors has entered into a service agreement with the Company for a term of three years commencing from the appointment date and renewable on expiry date and is subject to termination in accordance with the terms of the service agreement.

The Non-Executive Director has signed an appointment letter with the Company for term of three years and renewable on expiry date which is subject to termination in accordance with its terms.

The Independent Non-Executive Directors have each signed an appointment letter with the Company for a term of three years and renewable on expiry date and are subject to termination in accordance with their respective terms.

The term of service of a Director is subject to retirement by rotation of Directors as set out in the Articles of Association and the GEM Listing Rules.

Save as disclosed above, no Directors proposed for re-election at the forthcoming annual general meeting has a service contract with the Company which is not determinable by the Company within one year without payment of compensation other than statutory compensation.

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 31 December 2024, the interests and short positions of the Directors and chief executives of the Company or any of their respective associates in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO")) as recorded in the register required to be kept by the Company under Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules were as follows:

LONG POSITION IN THE SHARES

Name of Directors and Chief Executives	Capacity/ Nature of Interest	Number of Shares or Underlying Shares	Approximate Percentage of Interest in the Company ⁽¹⁾
Mr. WANG Lei	Beneficial interest	590,870,000	29.54%
Ms. LI Lidan ⁽²⁾	Interest of spouse	590,870,000	29.54%
Mr. CHEN Huichun	Beneficial interest	700,000	0.04%
Mdm. WANG Chongyu ⁽³⁾	Interest of spouse	700,000	0.04%

Notes:

- (1) This is based on the total Shares in issue as at 31 December 2024, being 2,000,000,000.
- (2) Ms. LI Lidan is the spouse of Mr. WANG Lei ("Mrs. WANG"), executive director of the Company. Under the SFO, Mrs. WANG is deemed to be interested in the same number of Shares in which Mr. WANG Lei is interested.
- (3) Mdm. WANG Chongyu is the spouse of Mr. CHEN Huichun ("Mrs. CHEN"). Under the SFO, Mrs. CHEN is deemed to be interested in the same number of Shares in which Mr. CHEN Huichun is interested.

Save as disclosed above, none of the Directors, chief executives of the Company or their respective associates had any interests or short positions in any shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept by the Company under Section 352 of the SFO or as otherwise, notified to the Company and the Stock Exchange pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules.

SHARE OPTION SCHEME

The Company adopted a share option scheme ("Share Option Scheme") on 21 October 2016 for the purpose of enabling the Company to grant rights to subscribe for Shares pursuant to the terms of the Share Option Scheme ("Options", each an "Option") as incentives or rewards to the Participants (as defined below) for their contribution to the Group and/or to enable the Group to recruit and retain high calibre employees and attract human resources that are valuable to the Group and any entity which the Group holds any equity interest ("Invested Entity"). The terms of the Share Option Scheme are in accordance with the provisions of Chapter 23 of the GEM Listing Rules.

The period of Share Option Scheme commenced on 21 October 2016 and will expire on 20 October 2026.



DIRECTORS' REPORT

The Board may, at its discretion, invite any Executive, Non-Executive or Independent Non-Executive Directors or any employees (whether full-time or part-time) of the Company, or any of its subsidiaries or associated companies or any other person whom the Board considers, in its sole discretion, has contributed or will contribute to the Group ("Participants", each a "Participant") to take up the Options. The basis of eligibility of any of the class of the Participants to the grant of any Option shall be determined by the Board from time to time on the basis of their contribution to the development and growth of the Group and any Invested Entity. Unless otherwise determined by the Board and specified in the offer letter to be given to the Participant at the time of the offer of the Option ("Offer"), there is neither any performance target that needs to be achieved by the Participant who accepts an Offer in accordance with the terms of the Share Option Scheme ("Grantee") before an Option can be exercised nor any minimum period for which an Option must be held before the Option can be exercised.

The subscription price for the Shares under the Share Option Scheme shall be such price as determined by the Board in its absolute discretion at the time of the grant of the relevant Option, but in any case shall not be less than the highest of (a) the closing price of the Shares as stated in the Stock Exchange's daily quotations sheet on the date on which an Offer is made by the Company to the Grantee (which date must be a Business Day, "Offer Date"); (b) a price being the average of the closing prices of the Shares as stated in the Stock Exchange's daily quotations sheets for the five (5) Business Days immediately preceding the Offer Date (provided that the Offer Price shall be used as the closing price for any Business Day falling within the period before listing of the Shares where the Company has been listed for less than five (5) Business Days as at the Offer Date); and (c) the nominal value of a Share.

The amount payable by the grantee of an Option to the Company on acceptance of the offer for the grant of an Option is HK\$1.00, which shall be payable within the period as the Board may determine and specify in the letter of Offer.

An Option may be exercised in accordance with the terms of the Share Option Scheme at any time during the period to be determined by the Board at its absolute discretion and notified by the Board to each Grantee as being the period during which an Option may be exercised and in any event, such period shall not be longer than 10 years from the date upon which any particular Option is granted in accordance with the Share Option Scheme.

The maximum number of unexercised share options currently permitted to be granted under the Share Option Scheme and any other share option scheme of the Company shall not in aggregate exceed 10% of the total number of Shares in issue immediately following the listing of the Company on the Stock Exchange and the subdivision of shares of the Company approved on 3 April 2019 and become effective on 4 April 2019 (being 2,000,000,000 Shares). The maximum number of shares issuable under share options to each eligible participant in the Company's Scheme within any 12-month period, is limited to 1% of the shares of the Company in issue at any time. Any further grant of share options in excess of this limit is subject to Shareholders' approval in a general meeting. During the year ended 31 December 2024, the Company may grant options in respect of up to 2,000,000,000 Shares to the participants under the Share Option Scheme, being 10% of the issued shares of the Company as at the date of this report.

No option has lapsed, or has been granted, exercised or cancelled under the Share Option Scheme during the year ended 31 December 2024. The Group did not have any outstanding share options, warrants, convertible instruments, or similar rights convertible into the Shares as at 31 December 2024, nor has there been any exercise, redemption, purchase or cancellation made during the year ended 31 December 2024 of any conversion or subscription rights under any convertible securities, options, warrants or similar rights issued or granted.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Save as disclosed in the section headed "Directors' and chief executives' interests and short positions in shares, underlying shares and debentures" above, at no time during the year ended 31 December 2024 and up to the date of this report was the Company or any of its subsidiaries a party to any arrangement to enable the Directors or their respective close associates (as defined under the GEM Listing Rules) to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As at 31 December 2024, the interests and short positions of substantial Shareholders and other persons (not being a Director or Chief Executive of the Company) in the Shares and underlying Shares which were notified to the Company and the Stock Exchange pursuant to Divisions 2 and 3 of Part XV of the SFO or required to be entered in the register maintained by the Company pursuant to Section 336 of the SFO were as follows:

LONG POSITIONS IN THE SHARES

Name	Nature of Interest	Number of Shares	Approximate Percentage of Shareholding in the Company as at
			31 December 2024 ⁽¹⁾
Mr. LI Jie	Beneficial owner	286,020,000	14.30%
Mdm. HAN Mei ⁽²⁾	Interest of spouse	286,020,000	14.30%
Mdm. LI Lidan ⁽³⁾	Interest of spouse	590,870,000	29.54%

Notes:

- (1) This is based on the total Shares in issue as at 31 December 2024, being 2,000,000,000.
- (2) Mdm. HAN Mei is the spouse of Mr. LI Jie ("Mrs. Li"). Under the SFO, Mrs. Li is deemed to be interested in the same number of Shares in which Mr. LI Jie is interested.
- (3) Mdm. LI Lidan ("Mrs. WANG") is the spouse of Mr. WANG Lei, executive director of the Company. Under the SFO, Mrs. WANG is deemed to be interested in the same number of Shares in which Mr. WANG Lei is interested.

Save as disclosed above, as at the date of this report, according to the register of interests required to be kept by the Company under Section 336 of the SFO, there was no other person or corporation (other than the Directors and chief executives of the Company) who had any interest or short position in the Shares or underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 or Part XV of the SFO.



DIRECTORS' REPORT

DIRECTORS' REMUNERATION

Details of the remuneration of the Directors for the year ended 31 December 2024 are set out in Note 8 to the financial statements in this annual report.

Further details of the Directors' and chief executives' emoluments and the five highest paid individuals are set out in Notes 8 and 10 to the consolidated financial statements.

Mr. FENG Wei, Mr. CHUA Boon Hou (Cai Wenhao), Ms. WU Meng Meng, Mr. WANG Bing, Mr. LI Xiaodong, Mr. CHEN Huichun, Mr. ZHAO Wei and Mr. GAO Yan waived emoluments of S\$20,567, S\$211,000, S\$22,268, S\$8,570, S\$22,268, S\$20,567, S\$20,567 and S\$22,268 respectively for the year ended 31 December 2024. Mr. FENG Wei, Mr. CHEN Huichun and Mr. WANG Bing waived emoluments of S\$20,554, S\$20,554 and S\$20,554 respectively for the year ended 31 December 2023. Except these, no other directors waived or agreed to waive any emoluments for both years.

EMOLUMENT POLICY

The Remuneration Committee was set up for reviewing the Group's emolument policy and structure for all remuneration of the Directors and senior management of the Group, having regard to the Group's operating results, individual performance and comparable market practices. The remunerations of the Directors are determined with reference to the economic situation, the market condition, the responsibilities and duties assumed by each Director as well as their individual performance.

RELATED PARTY TRANSACTIONS

Details of the related party transactions entered into by the Group during the year ended 31 December 2024 are set out in Note 30 to the financial statements. Such related party transactions do not fall under the definition of connected transaction or continuing connected transaction under Chapter 20 of the GEM Listing Rules.

CONNECTED TRANSACTION AND CONTINUING CONNECTED TRANSACTION

During the year ended 31 December 2024, the Group has not entered into any connected transactions or continuing connected transactions that are not exempted under the GEM Listing Rules. The Board confirms that the Company has complied with the applicable disclosure requirements in accordance with Chapter 20 of the GEM Listing Rules.

SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the Directors as at the date of this report, the Company has maintained the prescribed public float required by the GEM Listing Rules since the listing date and up to the date of this report.

DIRECTORS' INTEREST IN COMPETING BUSINESS

The Directors are not aware of any business or interest of the Directors nor the controlling Shareholders nor any of their respective close associates that competes or may compete, directly or indirectly, with the Group's business and any other conflicts of interest which any such person has or may have with the Group during the year ended 31 December 2024.

INDEMNITY OF DIRECTORS

The Articles of Association provides that the Directors shall be indemnified and secured harmless out of the assets of the Company against all actions, costs, charges, losses, damages and expenses which they shall incur or sustain in execution of their duty or supposed duty in their respective offices, except such as they shall incur or sustain through their own fraud or dishonesty.

DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS OF SIGNIFICANCE

No transaction, arrangement or contract of significance to which the Company, or any of its subsidiaries was a party, and in which a Director or entity connected with such Director had a material interest, subsisted at any time during the year ended 31 December 2024.

MANAGEMENT CONTRACTS

No contracts, other than the service contracts entered into with the Directors, concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or in existence during the year ended 31 December 2024.

ENVIRONMENTAL POLICIES AND PERFORMANCE

The Group is subject to local laws and regulations as well as various guidelines by the governmental agencies. In particular, our modifications, tuning and grooming services need to comply with specific rules in the Road Traffic Act under the purview of the Land Transport Authority. The environmental concern relating to the management of hazardous waste and waste water is particularly important to us, and to address this, we follow the best practices in toxic waste management and comply with relevant environmental standards, including the Environmental Public Health (Toxic Industrial Waste) Regulations issued by the National Environment Agency of Singapore. Other key laws and regulations relating to our business include the Workplace Health and Safety Act, Regulations of Imports and Exports, Employment Act and Employment of Foreign Manpower Act. There were no cases of non-compliance with relevant laws and regulations that had or would have had a significant impact on the Group during the year.

Our key stakeholders include customers, suppliers and employees. We continuously engage with them through daily interactions to understand and respond to their respective needs. We value our customers' feedback and use it to improve our services and quality of repairs. We also understand maintaining relationships with our suppliers and employees is vital to the Group's ability to meet its quality commitment. We build trusted relationships with brand name suppliers, and develop our employees' capabilities and address any potential workplace concerns in a timely manner. More specific details on our environmental, social and corporate governance ("ESG") policies will be found in our ESG report, to be published together with the annual report of the Company.



DIRECTORS' REPORT

KEY RELATIONSHIPS WITH EMPLOYEES, CUSTOMERS AND SUPPLIERS

The Group recognises the accomplishment of the employees by providing comprehensive benefit package, career development opportunities and internal training appropriate to individual needs. The Group provides a healthy and safe workplace for all employees. No strikes and cases of fatality due to workplace accidents are found in the year under review.

The Group encompasses working relationships with suppliers to meet our customers' needs in an effective and efficient manner. The departments work closely to make sure the tendering and procurement process is conducted in an open, fair and just manner. The Group's requirements and standards are also well-communicated to suppliers before the commencement of a project.

The Group values the views and opinions of all customers through various means and channels, including usage of business intelligence to understand customer trends and needs and regular analysis on customer feedback. The Group also conducts comprehensive tests and checks to ensure that only quality products and services are offered to the customers.

BANK LOANS AND OTHER BORROWINGS

Particulars of bank loans and other borrowings of the Group as at 31 December 2024 are set out in Note 24 to the financial statements.

PROPERTY, PLANT AND EQUIPMENT

Details of movements in the property, plant and equipment of the Group during the year ended 31 December 2024 are set out in Note 14 to the financial statements.

DISTRIBUTABLE RESERVES

Details of the movements in the reserves of the Group for the year ended 31 December 2024 are set out in the consolidated statement of changes in equity on page 51 and Note 27 to the financial statements.

As at 31 December 2024, the Company had nil distributable reserve (31 December 2023: nil).

MATERIAL ACQUISITION AND DISPOSAL

Save as to the disclosed herein, the Group did not have any significant investments during the year ended 31 December 2024 and did not have any material acquisition and disposal of subsidiary, associates or joint ventures during the year ended 31 December 2024.

RETIREMENT SCHEMES

Particulars of retirement schemes are set out in Note 2.22 and Note 36 to the financial statements.

CONFIRMATION OF INDEPENDENCE

The Company has received from each of the independent non-executive Directors an annual confirmation of independence pursuant to Rule 5.09 of the GEM Listing Rules and, based on contents of such confirmation, considers all the independent non-executive Directors to be independent and that they have met the specific independence guidelines as set out in Rule 5.09 of the GEM Listing Rules.

CHANGES TO INFORMATION IN RESPECT OF DIRECTORS

Upon specific enquiry by the Company and following confirmations from the Directors, save as disclosed in the section headed "Directors and Senior Management" in this report, there was no change in the information of the Directors required to be disclosed pursuant to paragraphs (a) to (e) and (g) of Rule 17.50(2) of the GEM Listing Rules during the year ended 31 December 2024.

EVENTS AFTER THE REPORTING PERIOD

On 7 January 2025, the Company entered into a placing agreement with the Placing Agent, pursuant to which the Company conditionally agreed to place, through the Placing Agent on a best endeavour basis, up to 400,000,000 Placing Shares at the Placing Price per Placing Share. The Placing of 400,000,000 Placing Shares was completed on 23 January 2025. For further information in relation to the Placing, please refer to the announcements of the Company dated 7 January 2025 and 23 January 2025.

On 9 January 2025, the Company announced the proposal of (i) the Share Consolidation; and (ii) the Change in Board Lot Size subject to and upon the Share Consolidation becoming effective.

The Share Consolidation was approved by shareholders at the extraordinary general meeting of the Company held on 18 February 2025. As such, the Share Consolidation and the Change in Board Lot Size have become effective on 20 February 2025. Immediately after the Share Consolidation, the total number of issued shares of the Company was adjusted from 2,400,000,000 to 48,000,000. This adjustment has reflected the increase in issued shares due to the completion of the Placing, which added 400,000,000 shares before the Share Consolidation took effect. For further information in relation to the Share Consolidation and Change in Board Lot Size, please refer to the announcements of the Company dated 9 January 2025 and 18 February 2025 and the circular of the Company dated 23 January 2025.

Save as disclosed above, the Board is not aware of any significant event requiring disclosure that has taken place subsequent to 31 December 2024 and up to the date of this report.



DIRECTORS' REPORT

CORPORATE GOVERNANCE

Details of the corporate governance practice adopted by the Company are set out on pages 16 to 30 of this annual report.

EQUITY-LINKED AGREEMENT

Save for the Share Option Scheme of the Company, there was no equity-linked agreement being entered into or remained subsisting during the year ended 31 December 2024 or as of the end of the year.

TAX RELIEF AND EXEMPTION

The Directors are not aware of any tax relief or exemption available to the Shareholders by reason of their holding of the Company's securities.

REVIEW BY AUDIT COMMITTEE

The Audit Committee has reviewed with management the accounting principles and practices adopted by the Group and discussed internal control and financial reporting matters including the review of the audited consolidated financial statements for the year ended 31 December 2024.

THE GROUP'S COMPLIANCE WITH THE RELEVANT LAWS AND REGULATIONS

As far as the Board is aware, the Group has complied in material aspects with the relevant laws and regulations that have a significant impact on the business and operations of the Group.

AUDITORS

The consolidated financial statement for the year ended 31 December 2024 was audited by CL Partners CPA Limited, who will retire and, being eligible, offer themselves for re-appointment at the next annual general meeting of the Company.

The consolidated financial statement for the year ended 31 December 2023 was audited by CCTH CPA Limited.

CCTH CPA Limited retired as the auditor of the Company upon expiration of its term of office at the annual general meeting of the Company ("AGM") held on Wednesday, 26 June 2024. The Board, with the recommendation of the Audit Committee, resolved to change the auditor of the Company and proposed to appoint CL Partners CPA Limited as the new auditor of the Company for the financial year ended 31 December 2024 following the retirement of CCTH CPA Limited and to hold office until the conclusion of the next annual general meeting of the Company. The shareholders of the Company approved an ordinary resolution for the appointment of CL Partners CPA Limited at the AGM on 26 June 2024.

APPRECIATION

On behalf of the Board, I would like to extend our sincere thanks to our Shareholders, business partners and customers for their continuous support to the Group. I would also extend my gratitude and appreciation to all the Directors, management and staff for their hard work and dedication throughout the period.

By Order of the Board

WANG Lei

Chairman, Chief Executive Officer and Executive Director

31 March 2025

INDEPENDENT AUDITOR'S REPORT



To the shareholders of Zhongshi Minan Holdings Limited

(incorporated in the Cayman Islands with limited liability)

OPINION

We have audited the consolidated financial statements of Zhongshi Minan Holdings Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 49 to 117, which comprise the consolidated statement of financial position as at 31 December 2024, and the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information and other explanatory information.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2024, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board ("IASB") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing ("ISAs"). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report. We are independent of the Group in accordance with the Hong Kong Institute of Certified Public Accountants (the "HKICPA")'s *Code of Ethics for Professional Accountants* (the "Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KEY AUDIT MATTERS

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

Key audit matter	How our audit addressed the key audit matter
<p>Loss allowances for trade receivables and loan receivables from third parties</p> <p>The Group's trade receivables and loan receivables from third parties were significant as they represented 5% and 8% of the Group's total assets as at 31 December 2024, respectively. Net trade receivables amounted to S\$1,064,000 as at 31 December 2024, against which an allowance for expected credit losses ("ECLs") of S\$124,000 was made. The loan receivables from third parties included in prepayments, other receivables and other assets amounted to S\$1,809,000 as at 31 December 2024, against which no allowance for ECLs was made.</p> <p>The Group calculates the ECLs for trade receivables and loan receivables from third parties, which are determined based on historical observed default rates over the expected life of the debtors and are adjusted for supportable forward-looking information that is reasonable and supportable available without due costs or effort. The impairment assessment of trade receivables and loan receivables from third parties requires significant management's judgement and estimation. As such, we determined this as a key audit matter.</p> <p>The Group's disclosures of the loss allowances for trade receivables and loan receivables from third parties are included in notes 2.12, 3, 18, and 19 to the consolidated financial statements.</p>	<p>Our procedures in relation to loss allowances for trade receivables and loan receivables from third parties included:</p> <ul style="list-style-type: none"> – Evaluating the Group's processes and controls relating to the monitoring of trade receivables and loan receivables from third parties and credit risks of customers; – Checking to receipts from customers subsequent to the year end, and checking to monthly instalments repaid by third party debtors; – Evaluating management's assumptions and estimates used to determine the ECLs through analyses of the ageing of receivables, assessment of material overdue individual trade receivables, customers' payment history and correspondences between the Group and the customers; – Evaluating management's assumptions and inputs used in the computation of historical loss rates and assessed the management's assumptions used in considering the forward-looking factors; and – Assessing the adequacy of the relevant disclosures in the consolidated financial statements.



INDEPENDENT AUDITOR'S REPORT

OTHER MATTER

The consolidated financial statements of the Group for the year ended 31 December 2023 were audited by another auditor who expressed an unmodified opinion on those consolidated financial statements on 28 March 2024.

OTHER INFORMATION

The directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated financial statements and our auditor's report thereon.

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

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

RESPONSIBILITIES OF DIRECTORS AND THOSE CHARGED WITH GOVERNANCE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with IFRS Accounting Standards issued by the IASB and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance are responsible for overseeing the Group's financial reporting process.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with 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 consolidated financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purpose of the group audit. We remain solely responsible for our audit opinion.



INDEPENDENT AUDITOR'S REPORT

We communicate with those charged with governance 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 those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

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

CL Partners CPA Limited

Certified Public Accountants

Hong Kong, 31 March 2025

LEE Wai Chi

Practising certificate number: P07830

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Year ended 31 December 2024

	Notes	2024 S\$'000	2023 S\$'000
Revenue	5	18,866	23,871
Other income and gains	5	2,309	1,559
Cost of materials		(9,330)	(11,717)
Marketing and advertising expenses		(868)	(539)
Employee benefits expenses	9	(5,799)	(7,760)
Depreciation of property, plant and equipment	14	(219)	(334)
Depreciation of right-of-use assets	15	(760)	(703)
Amortisation of intangible assets	14	(4)	–
(Impairment losses of)/reversal of impairment losses on trade receivables, net	18	(67)	61
Finance costs	7	(168)	(86)
Other expenses		(2,800)	(5,612)
PROFIT/(LOSS) BEFORE TAX	6	1,160	(1,260)
Income tax expense	11	(129)	(268)
PROFIT/(LOSS) FOR THE YEAR		1,031	(1,528)
OTHER COMPREHENSIVE (EXPENSE)/INCOME			
<i>Item that may be subsequently reclassified to profit or loss:</i>			
Exchange differences on translation of foreign operations		(6)	60
TOTAL COMPREHENSIVE INCOME/(EXPENSE) FOR THE YEAR		1,025	(1,468)
Profit/(loss) for the year attributable to:			
– Owners of the Company		1,492	(142)
– Non-controlling interests		(461)	(1,386)
		1,031	(1,528)
Total comprehensive income/(expense) for the year attributable to:			
– Owners of the Company		1,449	(388)
– Non-controlling interests		(424)	(1,080)
		1,025	(1,468)
		2024	2023
		S cents	S cents
		per share	per share
			(Restated)
EARNINGS/(LOSS) PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY	13		
– Basic		3.73	(0.36)
– Diluted		N/A	N/A

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2024

	Notes	2024 S\$'000	2023 S\$'000
NON-CURRENT ASSETS			
Property, plant and equipment	14	2,577	2,676
Right-of-use assets	15	1,414	1,661
Intangible assets	14	17	–
Financial assets at fair value through profit or loss	16	530	492
Prepayments, other receivables and other assets	19	1,126	1,406
Total non-current assets		5,664	6,235
CURRENT ASSETS			
Financial assets at fair value through profit or loss	16	1,505	1,603
Inventories	17	1,215	670
Trade receivables	18	1,064	1,390
Prepayments, other receivables and other assets	19	7,164	8,308
Cash and cash equivalents	20	5,351	2,930
Total current assets		16,299	14,901
CURRENT LIABILITIES			
Trade and other payables	21	8,892	7,372
Bank and other borrowings	24	580	620
Contract liabilities	23	863	858
Tax payables		61	178
Total current liabilities		10,396	9,028
NET CURRENT ASSETS		5,903	5,873
TOTAL ASSETS LESS CURRENT LIABILITIES		11,567	12,108
NON-CURRENT LIABILITIES			
Provisions	22	413	413
Contract liabilities	23	317	4,018
Bank and other borrowings	24	2,012	1,557
Deferred tax liabilities	25	12	12
Total non-current liabilities		2,754	6,000
NET ASSETS		8,813	6,108
EQUITY			
Share capital	26	900	900
Reserves	27	7,980	6,286
Equity attributable to owners of the Company		8,880	7,186
Non-controlling interests		(67)	(1,078)
TOTAL EQUITY		8,813	6,108

The consolidated financial statements on pages 49 to 117 were approved and authorised for issue by the board of directors on 31 March 2025:

WANG Lei
Director

WU Mengmeng
Director

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Year ended 31 December 2024

	Attributable to owners of the Company								Total equity S\$'000
	Share capital S\$'000	Share premium* S\$'000	Other capital reserve* S\$'000	Merger reserve* S\$'000	Foreign currency translation reserve* S\$'000	Accumulated losses* S\$'000	Sub-total S\$'000	Non-controlling interests S\$'000	
At 1 January 2023	900	8,982	126	3,884	5	(6,323)	7,574	2	7,576
Loss and total comprehensive expense for the year	–	–	–	–	(246)	(142)	(388)	(1,080)	(1,468)
At 31 December 2023	900	8,982	126	3,884	(241)	(6,465)	7,186	(1,078)	6,108
At 1 January 2024	900	8,982	126	3,884	(241)	(6,465)	7,186	(1,078)	6,108
Profit and total comprehensive (expense)/income for the year	–	–	–	–	(43)	1,492	1,449	(424)	1,025
Disposal of a subsidiary (note 29)	–	–	–	–	247	–	247	1,392	1,639
Deregistration of subsidiaries	–	–	–	–	(2)	–	(2)	43	41
At 31 December 2024	900	8,982	126	3,884	(39)	(4,973)	8,880	(67)	8,813

Details regarding the share premium, other capital reserve and merger reserve are set out in note 27 to the consolidated financial statements.

* These reserve accounts comprise the consolidated reserves of S\$7,980,000 (2023: S\$6,286,000) in the consolidated statement of financial position.

CONSOLIDATED STATEMENT OF CASH FLOWS

Year ended 31 December 2024

	Notes	2024 S\$'000	2023 S\$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit/(loss) before tax		1,160	(1,260)
Adjustments for:			
Depreciation of property, plant and equipment	6	219	334
Depreciation of right-of-use assets	6	760	703
Amortisation of intangible assets	6	4	–
Fair value loss/(gain) on financial assets at fair value through profit or loss, net	5/6	285	(790)
Impairment losses of/(reversal of impairment losses) on trade receivables, net	6	67	(61)
Gain on disposal of property, plant and equipment	5	(134)	(297)
Gain on disposal of a subsidiary (note 29)	5	(1,850)	–
Gain on derecognition of subsidiaries		(46)	–
Loss on disposal of financial assets at fair value through profit or loss	6	42	–
Interest expenses	7	158	71
Operating cash flows before movements in working capital		665	(1,300)
(Increase)/decrease in inventories		(640)	623
Decrease/(increase) in trade receivables		259	(195)
Decrease/(increase) in prepayments, other receivables and other assets		1,283	(1,594)
Increase in trade and other payables		2,125	1,253
(Decrease)/increase in contract liabilities		(569)	1,942
Cash generated from operations		3,123	729
Income tax paid		(152)	(202)
Net cash flows from operating activities		2,971	527

CONSOLIDATED STATEMENT OF CASH FLOWS

Year ended 31 December 2024

	Notes	2024 S\$'000	2023 S\$'000
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(234)	(64)
Purchase of intangible assets		(21)	–
Purchase of financial assets at fair value through profit or loss		(3,047)	(23)
Disposal of financial assets at fair value through profit or loss		2,780	–
Net cash outflow arising from disposal of a subsidiary	29	(9)	–
Proceeds from disposal of property, plant and equipment		243	395
Net cash flows (used in)/from investing activities		(288)	308
CASH FLOWS FROM FINANCING ACTIVITIES			
Interest paid		(158)	(71)
Proceeds from bank and other borrowings (excluding lease liabilities)	28(b)	2,102	–
Repayment of bank and other borrowings (excluding lease liabilities)	28(b)	(729)	(400)
Repayment of principal portion of lease liabilities	28(b)	(1,471)	(482)
Net cash flows used in financing activities		(256)	(953)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS			
		2,427	(118)
Cash and cash equivalents at beginning of year		2,930	2,988
Effect of exchange rate changes, net		(6)	60
CASH AND CASH EQUIVALENTS AT END OF YEAR		5,351	2,930
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS			
Bank balances and cash	20	5,351	2,930

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. CORPORATE AND GROUP INFORMATION

Zhongshi Minan Holding Limited (the “Company”) is an exempted company with limited liability incorporated in the Cayman Islands on 17 March 2016. The registered office of the Company is at the offices of Ocorian Trust (Cayman) Limited, Windward 3, Regatta Office Park, P.O. Box 1350, Grand Cayman KY1-1108, Cayman Islands. The principal place of business in Hong Kong under Part 16 of the Companies Ordinance (Cap. 622) is at Room E, 15th Floor, Leahander Centre, 28 Wang Wo Tsai Street, Tsuen Wan, New Territories, Hong Kong. The information of shareholders are disclosed in the directors’ report to the annual report.

During the year, the Company and its subsidiaries (collectively referred to as the “Group”) were involved in the following principal activities:

- maintenance and repair of passenger cars
- modification, tuning and grooming of the performance or appearance of passenger cars and trading of spare parts and accessories
- provision of motor finance services
- trading of passenger cars
- development, manufacturing, consultancy and sale of food and kitchen appliances and brand management services

INFORMATION ABOUT SUBSIDIARIES

The Company has direct and indirect interests in its subsidiaries at 31 December 2024 and 2023, all of which are private limited liability companies, the particulars of which are set out below:

Company name	Place of incorporation/ registration and business	Issued ordinary share capital S\$'000	Percentage of equity attributable to the Company		Principal activities
			Direct %	Indirect %	
MBM International Holdings Pte. Ltd. (“MBMI”)	Singapore	4,500	100	–	Investment holding
MBM Wheelpower Pte. Ltd. (“MBM”)	Singapore	125	–	100	Maintenance and repair of passenger cars
KBS Motorsports Pte. Ltd. (“KBS”)	Singapore	100	–	100	Modification, tuning and grooming of the performance or appearance of passenger cars, trading of spare parts and accessories, and provision of motor finance services

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Company name	Place of incorporation/ registration and business	Issued ordinary share capital S\$'000	Percentage of equity attributable to the Company		Principal activities
			Direct %	Indirect %	
Oriental Achiever Limited	British Virgin Islands	N.m.	100	–	Investment holding
Oriental Versed Limited	British Virgin Islands	N.m.	100	–	Investment holding
World Brilliant Investments Limited	Hong Kong	N.m.	–	100	Investment holding
Dragon Hero International Limited	Hong Kong	N.m.	–	100	Investment holding
Zhengzhou Car Zhujiao Car Sales Limited**	PRC*	N.m.	–	100	Trading of passenger cars
Beijing Zhengli Changsheng Technology Co., Limited**	PRC*	N.m.	–	100	Investment holding
Zhongshi Minan (Hubei Province) Technology Industry Co., Ltd**	PRC*	N.m.	–	100	Investment holding
Zhongshi Taian (Shangdong) Technology Co., Ltd**	PRC*	N.m.	–	100	Investment holding
Beijing Shianzhengli Technology Co., Limited (note (a))	PRC*	N.m.	–	–	Investment holding
Beijing Zhengli Zhongshi Technology Co., Limited**	PRC*	N.m.	–	60	Trading of food and kitchen appliances

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Company name	Place of incorporation/ registration and business	Issued ordinary share capital S\$'000	Percentage of equity attributable to the Company		Principal activities
			Direct %	Indirect %	
Beijing Shiji Trading Technology Co., Limited** (note (b))	PRC*	N.m.	–	60	Trading of food and kitchen appliances
Beijing Zhaolanxuan Trading Co., Ltd** (note (b))	PRC*	N.m.	–	60	Trading of food and kitchen appliances
U-K Doddo (Beijing) Brand Management Co., Ltd** (note (c))	PRC*	N.m.	–	51	Trading of food and kitchen appliances
Tai'an Tianji Supply Chain Management Co., Ltd	PRC*	N.m.	–	100	Investment holding
Hubei Guangchenxing Supply Chain Management Co., Ltd	PRC*	N.m.	–	99	Food supply, fresh food takeaway and other services
Hubei Shianke Supply Chain Co., Ltd	PRC*	N.m.	–	99	Investment holding
Anhui Xiangtiange Agricultural Technology Co., Ltd	PRC*	N.m.	–	90	Gosling incubation; and breeding, slaughtering, processing, and sales of goose
Beijing Yipinnuo Trading Co., LTD	PRC*	N.m.	–	100	Investment holding
Youke Duoduo (Beijing) Brand Management Co., Ltd	PRC*	N.m.	–	99	Investment holding

Notes:

- (a) This entity was deregistered on 7 September 2023.
- (b) These entities were deregistered on 3 June 2024.
- (c) This entity was disposed on 8 May 2024.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

None of the subsidiaries had issued any debt securities at the end of the year.

* “PRC” represents the People’s Republic of China excluding the Hong Kong Special Administrative Region of the PRC, the Macau Special Administrative Region of the PRC and Taiwan.

** These companies are registered as wholly-foreign-owned enterprises under PRC law.

N.m.: Amount less than S\$1,000.

2. MATERIAL ACCOUNTING POLICY INFORMATION

2.1 BASIS OF PREPARATION

The consolidated financial statements have been prepared in accordance with the applicable IFRS Accounting Standards (“IFRSs”) issued by the International Accounting Standards Board (the “IASB”). For the purpose of preparation of the consolidated financial statements, information is considered material if such information is reasonably expected to influence decisions made by primary users. In addition, the consolidated financial statements include applicable disclosures required by the GEM Listing Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (“HKEX”) and by the Hong Kong Companies Ordinance.

The consolidated financial statements have been prepared under the historical cost convention, except for financial assets at fair value through profit or loss, which has been measured at fair value. These consolidated financial statements are presented in the Singapore dollar (“SGD” or “S\$”) which is also the functional currency of the Company and all values are rounded to the nearest thousand (“S\$’000”) except when otherwise indicated.

Basis of consolidation

The consolidated financial statements include the financial statements of the Group for the year ended 31 December 2024. A subsidiary is an entity (including a structured entity), directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Group the current ability to direct the relevant activities of the investee).

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

- (a) the contractual arrangement with the other vote holders of the investee;
- (b) rights arising from other contractual arrangements; and
- (c) the Group’s voting rights and potential voting rights.

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



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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

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

Changes in the Group's interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's relevant components of equity and the noncontrolling interests are adjusted to reflect the changes in their relative interests in the subsidiaries, including re-attribution of relevant reserves between the Group and the non-controlling interests according to the Group's and the non-controlling interests' proportionate interests.

Any difference between the amount by which the non-controlling interests are adjusted, and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

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

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

Amendments to IFRS Accounting Standards that are mandatorily effective for the current year

In the current year, the Group has applied the following amendments to IFRS Accounting Standards issued by the International Accounting Standards Board ("IASB") for the first time, which are mandatorily effective for the Group's annual period beginning on 1 January 2024 for the preparation of the consolidated financial statements:

Amendments to IFRS 16	<i>Lease Liability in a Sale and Leaseback</i>
Amendments to IAS 1	<i>Classification of Liabilities as Current or Non current</i>
Amendments to IAS 1	<i>Non-current Liabilities with Covenants</i>
Amendments to IAS 7 and IFRS 7	<i>Supplier Finance Arrangements</i>

The application of the amendments to IFRS Accounting Standards in the current year has had no material impact on the Group's financial positions and performance for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2.3 ISSUED BUT NOT YET EFFECTIVE IFRS ACCOUNTING STANDARDS

New and amendments to IFRS Accounting Standards in issue but not yet effective

The Groups have not early applied the following new and amendments to IFRS Accounting Standards that have been issued but are not yet effective:

Amendments to IFRS 9 and IFRS 7	<i>Amendments to the Classification and Measurement of Financial Instruments</i> ³
Amendment to IFRS 9 and IFRS 7	<i>Contracts Referencing Nature-dependent Electricity</i> ³
Amendments to IFRS 10 and IAS 28	<i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i> ¹
Amendments to IFRS Accounting Standards	<i>Annual Improvements to IFRS Accounting Standards – Volume 11</i> ³
Amendments to IAS 21	<i>Lack of Exchangeability</i> ²
IFRS 18	<i>Presentation and Disclosure in Financial Statements</i> ⁴

¹ Effective for annual periods beginning on or after a date to be determined.

² Effective for annual periods beginning on or after 1 January 2025.

³ Effective for annual periods beginning on or after 1 January 2026.

⁴ Effective for annual periods beginning on or after 1 January 2027.

Except for the new and amendments to IFRS Accounting Standards below, the directors of the Company anticipate that the application of all other new and amendments to IFRS Accounting Standards will have no material impact on the consolidated financial statements in the foreseeable future.

IFRS 18 Presentation and Disclosure in Financial Statements

IFRS 18 sets out requirements on presentation and disclosures in financial statements, will replace IAS 1 *Presentation of Financial Statements*. This new IFRS Accounting Standard, while carrying forward many of the requirements in IAS 1, introduces new requirements to present specified categories and defined subtotals in the statement of profit or loss; provide disclosures on management-defined performance measures in the notes to the financial statements and improve aggregation and disaggregation of information to be disclosed in the financial statements. In addition, some IAS 1 paragraphs have been moved to IAS 8 and IFRS 7. Minor amendments to IAS 7 *Statement of Cash Flows* and IAS 33 *Earnings per Share* are also made.

IFRS 18, and amendments to other standards, will be effective for annual periods beginning on or after 1 January 2027, with early application permitted. The application of the IFRS 18 is not expected to have material impact on the financial position of the Group. The directors of the Company are in the process of making an assessment of the impact of IFRS 18, but is not yet in a position to state whether the adoption would have a material impact on the presentation and disclosures of consolidated financial statements of the Group.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2.4 FAIR VALUE MEASUREMENT

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

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

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

- | | |
|---------|---|
| Level 1 | – based on quoted prices (unadjusted) in active markets for identical assets or liabilities |
| Level 2 | – based on valuation techniques for which the lowest level input that is significant to the fair value measurement is observable, either directly or indirectly |
| Level 3 | – based on valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable |

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2.5 IMPAIRMENT OF NON-FINANCIAL ASSETS

Where an indication of impairment exists, or when annual impairment testing for an asset is required (other than inventories and financial assets), the asset's recoverable amount is estimated. An asset's recoverable amount is the higher of the asset's or cash-generating unit's value in use and its fair value less costs of disposal, and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case the recoverable amount is determined for the cash-generating unit to which the asset belongs. In testing a cash-generating unit for impairment, a portion of the carrying amount of a corporate asset (e.g. a headquarter building) is allocated to an individual cash-generating unit if it can be allocated on a reasonable and consistent basis or, otherwise, to the smallest group of cash-generating units.

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

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



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2.6 RELATED PARTIES

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

- (a) the party is a person or a close member of that person's family and that person
 - (i) has control or joint control over the Group;
 - (ii) has significant influence over the Group; or
 - (iii) is a member of the key management personnel of the Group or of a parent of the Group;
- or
- (b) the party is an entity where any of the following conditions applies:
 - (i) the entity and the Group are members of the same group;
 - (ii) one entity is an associate or joint venture of the other entity (or of a parent, subsidiary or fellow subsidiary of the other entity);
 - (iii) the entity and the Group are joint ventures of the same third party;
 - (iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;
 - (v) the entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group; and the sponsoring employers of the post-employment benefit plan;
 - (vi) the entity is controlled or jointly controlled by a person identified in (a);
 - (vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity); and
 - (viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the parent of the Group.

2.7 PROPERTIES, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS

Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and any impairment losses. The cost of an item of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use.

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Depreciation is calculated on the straight-line basis to write off the cost of each item of property, plant and equipment to its residual value over its estimated useful life. The estimated useful lives of property, plant and equipment used are as follows:

Freehold property	– 50 years
Computers	– 3 years
Motor vehicles	– 5 years
Furniture and fittings	– 5 years
Office equipment	– 5 years
Renovation	– Shorter of lease term or 5 years
Tools and machinery	– 5 years

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

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

Acquired intangible assets

Intangible assets acquired separately are measured initially at cost. After initial recognition, intangible assets with finite useful lives are carried at cost less accumulated amortisation and any accumulated impairment losses.

Amortisation of intangible assets, i.e. software, is provided on straight-line method over the estimated useful lives which are five years. Amortisation commence when the intangible assets are available for use. The asset's amortisation method and estimated useful lives are reviewed, and adjusted if appropriate, at each reporting date.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains and losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

2.8 BORROWING COSTS

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2.9 LEASES

The Group assesses at contract inception whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as a lessee

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

(a) Right-of-use assets

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

Properties	1 to 5 years
Equipment	3 to 4 years

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

(b) Lease liabilities

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

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

The Group's lease liabilities are included in bank and other borrowings.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(c) *Short-term leases*

The Group applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (that is those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option).

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

(d) *Lease modifications*

The Group accounts for a lease modification as a separate lease if:

- the modification increase the scope of the lease by adding the right to use one or more underlying assets; and
- the consideration for leases increases an amount commensurate with the stand-alone price for the increase in scope and any appropriate adjustments to that stand-alone price to reflect the circumstances of the particular contract.

For a lease modification that is not accounted for as a separate lease, the Group remeasures the lease liability, less any lease incentives receivable, base on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The Group accounts for the remeasurement of lease liabilities by making corresponding adjustments to the relevant right-of-use assets.

Group as a lessor

When the Group acts as a lessor, it classifies at lease inception (or when there is a lease modification) each of its leases as either an operating lease or a finance lease.

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. When a contract contains lease and non-lease components, the Group allocates the consideration in the contract to each component on a relative stand-alone selling price basis. Rental income is accounted for on a straight-line basis over the lease terms and is included in other income in profit or loss due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

Leases that transfer substantially all the risks and rewards incidental to ownership of an underlying assets to the lessee are accounted for as finance leases.

At the commencement date, the cost of the leased asset is capitalised at the present value of the lease payments and related payments (including the initial direct costs), and presented as a receivable at an amount equal to the net investment in the lease. The finance income of such leases is recognised in profit or loss so as to provide a constant periodic rate of charge over the lease terms.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2.10 INVESTMENTS AND OTHER FINANCIAL ASSETS

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income, and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient of not adjusting the effect of a significant financing component, the Group initially measures a financial asset at its fair value, plus in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under IFRS 15 *Revenue from Contracts with Customers* in accordance with the policies set out for "Revenue recognition" below.

In order for a financial asset to be classified and measured at amortised cost or fair value through other comprehensive income, it needs to give rise to cash flows that are solely payments of principal and interest ("SPPI") on the principal amount outstanding. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows, while financial assets classified and measured at fair value through other comprehensive income are held within a business model with the objective of both holding to collect contractual cash flows and selling. Financial assets which are not held within the aforementioned business models are classified and measured at fair value through profit or loss.

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

Subsequent measurement

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

Financial assets at amortised cost (debt instruments)

Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment under expected credit loss model. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are carried in the consolidated statement of financial position at fair value with net changes in fair value recognised in profit or loss.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2.11 DERECOGNITION OF FINANCIAL ASSETS

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's consolidated statement of financial position) when:

- the rights to receive cash flows from the asset have expired; or
- the Group has transferred its rights to receive cash flows from the asset, or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risk and rewards of ownership of the asset. When it has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

On derecognition of a financial asset at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

2.12 IMPAIRMENT OF FINANCIAL ASSETS

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

Simplified approach

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



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

General approach

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

The Group considers a financial asset in default when contractual payments are 30 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

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

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Financial assets at amortised cost are subject to impairment under the general approach and they are classified within the following stages for measurement of ECLs except for trade receivables which apply the simplified approach as detailed below.

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2.13 FINANCIAL LIABILITIES

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as bank and other borrowings or payables, as appropriate.

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

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

Subsequent measurement

The subsequent measurement of financial liabilities is as follows:

Financial liabilities at amortised cost (bank and other borrowings and payables)

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

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

2.14 DERECOGNITION OF FINANCIAL LIABILITIES

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

2.15 INVENTORIES

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the weighted average method. The cost of inventories comprises cost of purchasing finished goods. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and selling expenses.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2.16 CASH AND CASH EQUIVALENTS

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

For the purpose of the consolidated statement of financial position, cash and cash equivalents comprise cash on hand and at banks which are not restricted as to use.

2.17 PROVISIONS

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

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

2.18 INCOME TAX

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

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

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

Deferred tax liabilities are recognised for all temporary differences, except where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss in respect of taxable temporary differences associated with investments in subsidiaries, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, and the carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised except where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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

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

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity and deferred tax arising from a business combination is adjusted against goodwill on acquisition.

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

2.19 GOVERNMENT GRANTS

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

2.20 REVENUE RECOGNITION

Revenue from contracts with customers

Revenue from contracts with customers is recognised when control of goods or services is transferred to the customers at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services.

When the consideration in a contract includes a variable amount, the amount of consideration is estimated to which the Group will be entitled in exchange for transferring the goods or services to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

When the contract contains a financing component which provides the customer with a significant benefit of financing the transfer of goods or services to the customer for more than one year, revenue is measured at the present value of the amount receivable, discounted using the discount rate that would be reflected in a separate financing transaction between the Group and the customer at contract inception. When the contract contains a financing component which provides the Group a significant financial benefit for more than one year, revenue recognised under the contract includes the interest expense accreted on the contract liability under the effective interest method. For a contract where the period between the payment by the customer and the transfer of the promised goods or services is one year or less, the transaction price is not adjusted for the effects of a significant financing component, using the practical expedient in IFRS 15.

(a) *Sale of goods*

Revenue from the sale of spare parts, accessories and passenger cars is recognised at the point in time when control of the asset is transferred to the customer, generally on delivery of the goods.

(b) *Rendering of services – maintenance and repair services*

The Group provides maintenance and repair services, which relates to the repair of the manufacturer's defects, replacement of parts due to wear and tear, or repair of damage resulting from accidents. Maintenance and repair services are typically charged based on the labour time and cost of parts incurred.

Revenue from maintenance and repairs services is recognised at the point in time when services have been rendered.

(c) *Provision of modification, tuning and grooming services*

The Group provides modification, tuning and grooming services that are either sold separately or bundled together with the sale of products to a customer. For bundled packages, the Group accounts for the sale of products and services separately. The modification, tuning and grooming services can be obtained from other providers and do not significantly customise or modify the products.

Contracts for bundled sales of products and services are comprised of two performance obligations because the promises to transfer the products and provide installation services are capable of being distinct and separately identifiable. Accordingly, the transaction price is allocated based on the relative standalone selling prices of the products and modification, tuning and grooming services.

Revenue from modification, tuning and grooming services is recognised at the point in time when the services have been rendered.

(d) *Sale of food and kitchen appliances*

Revenue from sale of food and kitchen appliances is recognised at the point in time upon delivery of the goods.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(e) *Sale of extended warranty*

The performance obligation is satisfied over time as services are rendered and upfront payment is required and is recognised on a straight-line basis over the extended warranty period.

(f) *Brand management services*

Revenue from brand management services is recognised over time when the services are rendered.

Revenue from other resources

Rental income is recognised on a time proportion basis over the lease terms.

Provision of motor finance services

Revenue from the provision of motor finance service is recognised over the scheduled repayment period because the customer simultaneously receives and consumes the benefits provided by the Group.

Other income

Interest income is recognised on an accrual basis using the effective interest method by applying the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, when appropriate, to the net carrying amount of the financial asset.

2.21 CONTRACT LIABILITIES

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

2.22 EMPLOYEE BENEFITS

The employees of the Group's subsidiaries which operate in the Mainland China and Singapore are required to participate in a central pension scheme operated by the local municipal government. The subsidiaries operating in the Mainland China and Singapore are required to contribute a certain percentage of their payroll costs to the central pension scheme. The contributions are charged to profit or loss as they become payable in accordance with the rules of the central pension scheme.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2.23 FOREIGN CURRENCIES

The functional currency of the Company is S\$. The functional currency of the subsidiaries incorporated in Singapore is S\$. As the Group mainly operates in Singapore, S\$ is used as the presentation currency of the Group. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. Foreign currency transactions recorded by the entities in the Group are initially recorded using their respective functional currency rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency rates of exchange ruling at the end of the reporting period. All differences arising on settlement or translation of monetary items are recognised in the consolidated statement of profit or loss and other comprehensive income.

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

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

The functional currencies of certain overseas subsidiaries are currencies other than the Singapore dollar. As at the end of the reporting period, the assets and liabilities of these entities are translated into S\$ at the exchange rates prevailing at the end of the reporting period and their statements of profit or loss are translated into Singapore dollar at the weighted average exchange rates for the year.

The resulting exchange differences are recognised in other comprehensive income and accumulated in the foreign currency translation reserve.

3. KEY SOURCES OF ESTIMATION UNCERTAINTY

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

KEY SOURCES OF ESTIMATION UNCERTAINTY

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

Loss allowances for trade receivables and loan receivables from third parties

Management recognises a loss allowances for lifetime ECLs on the trade receivables individually or collectively. Except for significant balances or credit-impaired amounts which are assessed for impairment individually, the remaining trade receivables are grouped under a collective assessment after considering internal credit ratings of trade debtors, ageing, repayment history and/or past due status of respective trade receivables. Estimated loss rates are based on historical observed default rates over the expected life of the debtors and are adjusted for supportable forward-looking information that is reasonable and supportable available without due costs or effort. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns (i.e., by geography, product type, customer type and rating, age, and coverage by letters of credit and other forms of credit insurance).

The Group calculates the ECLs for loan receivables from third parties by grouping the debtors based on shared credit risk characteristics. The internal credit risk ratings are determined on a combination of collective and individual basis taking into account of qualitative (such as debtors' operating conditions, financial positions, external rating of debtors, etc.) and quantitative factors (mainly includes past due information of the loan receivables from third parties). The measurement of ECL is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is by referencing the external data adjusted by macroeconomic factors and forward-looking information, etc..

The assessment of the correlation among historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of a customer's actual default in the future. The information about the ECLs on the Group's trade receivables and loan receivables from third parties is disclosed in notes 18 and 19 to the consolidated financial statements.

The information about the ECLs and the Group's trade receivables and loan receivables from third parties are disclosed in notes 33, 18 and 19 respectively. The carrying amounts of trade receivables and loan receivables from third parties at 31 December 2024 are S\$1,064,000 and S\$1,809,000 respectively (2023: S\$1,390,000 and S\$2,103,000 respectively) (net of allowance for impairment loss of S\$124,000 and nil respectively (2023: S\$57,000 and nil respectively)).

Allowance for inventory obsolescence

Allowance for inventory obsolescence is based on management's judgement using the available facts and circumstances, including, but not limited to, the inventories' own physical conditions, their market selling prices, and estimated selling costs of the inventories. The allowance is re-evaluated and adjusted as additional information received affects the amount estimated. The net carrying amounts of the Group's inventories as at 31 December 2024 was S\$1,215,000 (2023: S\$670,000).



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Estimated useful life of property, plant and equipment

At the end of each reporting period, the directors of the Company review the estimated useful life of property, plant and equipment with finite useful life. The estimated useful life reflects the directors' estimates of the periods that the Group intends to derive future economic benefits from the use of the Group's property, plant and equipment. The residual values reflect the directors' estimated amount that the Group would currently obtain from disposal of the assets, after deducting the estimated costs of disposal, if the assets were already of the age and in the condition expected at the end of its useful life. The carrying amount of property, plant and equipment with finite useful life as at 31 December 2024 was S\$2,577,000 (2023: S\$2,676,000).

4. OPERATING SEGMENT INFORMATION

The Group determines its operating segments based on the reports reviewed by the chief operating decision maker ("CODM"), which has been identified as the executive directors of the Company, that are used to make strategic decisions.

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

- i. The maintenance and repair services segment relates to the repair of manufacturer's defects, replacement of parts due to wear and tear, or repair of damage resulting from accidents. Maintenance and repair services are typically charged based on the labour time and cost of parts incurred ("Maintenance and repair services").
- ii. The modification, tuning and grooming services and trading of spare parts and accessories segment relates to the modification, tuning and grooming of the performance or appearance of passenger cars and the trading of spare parts and accessories ("Modification, tuning and grooming services and trading of spare parts and accessories").
- iii. The development, manufacturing and sale of food and kitchen appliances and brand management services segment ("Food and kitchen").
- iv. The "others" segment comprises, principally, the provision of motor finance services.

Management monitors the operating results of the Group's business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss which in certain respects, as explained in the tables below, is measured differently from the consolidated financial statements. Income tax are managed on a group basis and are not allocated to operating segments.

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated expenses and income comprise expenses and other sources of income which are not directly attributable to the identified segments.

Inter-segment sales and transfers are on terms' agreement in a manner similar to transactions with third parties at the then prevailing market prices. Segment revenue, expenses and results include transfers between business segments. These transfers are eliminated on consolidation.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2024

	Maintenance and repair services S\$'000	Modification, tuning and grooming services and trading of spare parts and accessories S\$'000	Food and kitchen S\$'000	Others S\$'000	Adjustments and eliminations S\$'000	Total S\$'000
Revenue:						
External customers	14,281	3,001	1,381	203	–	18,866
Inter-segment	91	72	–	180	(343)	–
	14,372	3,073	1,381	383	(343)	18,866
Results:						
Cost of materials	(6,646)	(1,935)	(912)	–	163	(9,330)
Marketing and advertising expenses	(92)	(22)	(754)	–	–	(868)
Employee benefits expenses	(4,301)	(1,071)	(242)	(133)	–	(5,747)
Depreciation and amortisation expenses	(905)	(185)	(9)	(50)	166	(983)
Impairment losses on trade receivables, net	(5)	(29)	(33)	–	–	(67)
Other expenses	(1,949)	(148)	(486)	(407)	876	(2,114)
Segment profit/(loss)	474	(317)	(1,055)	(207)	862	(243)
Unallocated other expenses						(686)
Unallocated other income and gains						2,309
Unallocated employee benefits expenses						(52)
Unallocated finance costs						(168)
Profit before tax						1,160
Income tax expense						(129)
Profit for the year						1,031

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2023

	Maintenance and repair services S\$'000	Modification, tuning and grooming services and trading of spare parts and accessories S\$'000	Food and kitchen S\$'000	Others S\$'000	Adjustments and eliminations S\$'000	Total S\$'000
Revenue:						
External customers	15,531	5,015	3,148	177	–	23,871
Inter-segment	89	80	–	180	(349)	–
	15,620	5,095	3,148	357	(349)	23,871
Results:						
Cost of materials	(7,056)	(3,431)	(1,399)	–	169	(11,717)
Marketing and advertising expenses	(107)	(9)	(423)	–	–	(539)
Employee benefits expenses	(5,310)	(1,319)	(950)	(93)	–	(7,672)
Depreciation and amortisation expenses	(936)	(188)	(29)	(50)	166	(1,037)
Reversal of impairment losses/(impairment losses) on trade receivables, net	53	(8)	16	–	–	61
Other expenses	(1,905)	(237)	(3,136)	(36)	251	(5,063)
Segment profit/(loss)	359	(97)	(2,773)	178	237	(2,096)
Unallocated other expenses						(549)
Unallocated other income and gains						1,559
Unallocated employee benefits expenses						(88)
Unallocated finance costs						(86)
Loss before tax						(1,260)
Income tax expense						(268)
Loss for the year						(1,528)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

As at 31 December 2024

	Maintenance and repair services S\$'000	Modification, tuning and grooming services and trading of spare parts and accessories S\$'000	Food and kitchen S\$'000	Others S\$'000	Adjustments and eliminations S\$'000	Total S\$'000
Assets:						
Property, plant and equipment	588	25	–	1,964	–	2,577
Right-of-use assets	1,611	384	–	–	(581)	1,414
Intangible assets	–	–	17	–	–	17
Other segment assets	12,676	4,078	2,113	7,325	(9,754)	16,438
Segment assets	14,875	4,487	2,130	9,289	(10,335)	20,446
Unallocated assets*						1,517
Total assets						21,963
Liabilities:						
Segment liabilities	7,010	983	5,822	3,198	(8,171)	8,842
Unallocated liabilities*						4,308
Total liabilities						13,150
Other segment information						
Additions to non-current assets**	210	24	21	–	–	255

* The unallocated assets mainly include corporate assets. The unallocated liabilities mainly include corporate liabilities, tax payable and deferred tax liabilities.

** Additions to non-current assets consist of additions to property, plant and equipment, intangible assets and exclude financial instruments.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

As at 31 December 2023

	Maintenance and repair services S\$'000	Modification, tuning and grooming services and trading of spare parts and accessories S\$'000	Food and kitchen S\$'000	Others S\$'000	Adjustments and eliminations S\$'000	Total S\$'000
Assets:						
Property, plant and equipment	531	90	41	2,014	–	2,676
Right-of-use assets	1,755	566	87	–	(747)	1,661
Other segment assets	11,036	6,229	1,531	6,628	(10,254)	15,170
Segment assets	13,322	6,885	1,659	8,642	(11,001)	19,507
Unallocated assets*						1,629
Total assets						21,136
Liabilities:						
Segment liabilities	5,865	3,232	4,231	2,144	(4,364)	11,108
Unallocated liabilities*						3,920
Total liabilities						15,028
Other segment information						
Additions to non-current assets**	64	–	–	–	–	64

* The unallocated assets mainly include corporate assets. The unallocated liabilities mainly include corporate liabilities, tax payable and deferred tax liabilities.

** Additions to non-current assets consist of additions to property, plant and equipment and exclude financial instruments.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

INFORMATION ABOUT MAJOR CUSTOMERS

Since none of the Group's sales to a single customer accounted for 10% or more of the Group's total revenue during both years, no major customer information is presented in accordance with IFRS 8 *Operating Segments*.

Geographical Information

(a) Revenue

	2024 S\$'000	2023 S\$'000
Geographical information		
Singapore	16,312	18,030
Mainland China	1,812	4,783
Other Asia-Pacific countries	742	1,058
	18,866	23,871

(b) Non-current assets

	2024 S\$'000	2023 S\$'000
Geographical information		
Singapore	5,115	5,442
Mainland China	19	301
	5,134	5,743

The revenue information is based on the locations of the customers and the non-current assets information is based on the locations of the assets and excludes financial assets at fair value through profit or loss.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

5. REVENUE, OTHER INCOME AND GAINS

Revenue represents services rendered to customers and invoiced trading sales for the year.

An analysis of revenue is as follows:

	2024 S\$'000	2023 S\$'000
Revenue from contracts with customers		
– Maintenance and repair services	14,281	15,531
– Modification, tuning and grooming services and trading of spare parts and accessories	3,001	5,015
– Sale of food and kitchen appliances	898	1,279
– Brand management services	483	1,869
Revenue from other sources		
– Provision of motor finance services	203	177
	18,866	23,871

Analysis of other income and gains is as follows:

	2024 S\$'000	2023 S\$'000
Other income and gains		
Government grants*	20	56
Rental income	111	116
Commission income from sales of passenger cars	15	9
Administrative income	84	88
Fair value gain on a financial asset at fair value through profit or loss	–	858
Gain on disposal of property, plant and equipment	134	297
Gain on disposal of a subsidiary (note 29)	1,850	–
Gain on deregistration of subsidiaries	46	–
Others	49	135
	2,309	1,559

* The amount mainly represents rewards or subsidies under the Productivity and Innovation Credit Scheme and the Wage Credit Scheme which were received from the Singapore government. There are no unfulfilled conditions or contingencies relating to these grants.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(I) DISAGGREGATED REVENUE INFORMATION

For the year ended 31 December 2024

	Maintenance and repair services S\$'000	Modification, tuning and grooming services and trading of spare parts and accessories S\$'000	Food and kitchen S\$'000	Others S\$'000	Total S\$'000
Type of goods or services					
Sale of goods of industrial products	–	2,581	–	–	2,581
Rendering of services	13,353	420	–	–	13,773
Provision of motor finance services	–	–	–	203	203
Sale of extended warranty	928	–	–	–	928
Sale of food and kitchen appliances	–	–	898	–	898
Brand management services	–	–	483	–	483
	14,281	3,001	1,381	203	18,866
Geographical markets					
Singapore	14,281	1,828	–	203	16,312
Mainland China	–	431	1,381	–	1,812
Other Asia-Pacific countries	–	742	–	–	742
	14,281	3,001	1,381	203	18,866
Timing of revenue recognition					
Services and goods transferred at a point in time	13,353	3,001	898	–	17,252
Services transferred over time	928	–	483	–	1,411
Revenue from contracts with customers	14,281	3,001	1,381	–	18,663

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2023

	Maintenance and repair services S\$'000	Modification, tuning and grooming services and trading of spare parts and accessories S\$'000	Food and kitchen S\$'000	Others S\$'000	Total S\$'000
Type of goods or services					
Sale of goods of industrial products	–	4,400	–	–	4,400
Rendering of services	15,355	615	–	–	15,970
Provision of motor finance services	–	–	–	177	177
Sale of extended warranty	176	–	–	–	176
Sale of food and kitchen appliances	–	–	1,279	–	1,279
Brand management services	–	–	1,869	–	1,869
	15,531	5,015	3,148	177	23,871
Geographical markets					
Singapore	15,531	2,322	–	177	18,030
Mainland China	–	1,635	3,148	–	4,783
Other Asia-Pacific countries	–	1,058	–	–	1,058
	15,531	5,015	3,148	177	23,871
Timing of revenue recognition					
Services and goods transferred at a point in time	15,355	5,015	1,279	–	21,649
Services transferred over time	176	–	1,869	–	2,045
Revenue from contracts with customers	15,531	5,015	3,148	–	23,694

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(II) PERFORMANCE OBLIGATIONS

Information about the Group's performance obligations is summarised below:

Sale of goods of industrial products

The performance obligation is satisfied upon delivery of the goods and payment is generally due within 30 to 90 days from delivery, except for new customers, where payment in advance is normally required.

Maintenance and repair services and modification, tuning and grooming services

The performance obligation is satisfied at a point in time as services are rendered and payment is generally due upon completion of services and customer acceptance.

Sale of extended warranty

The performance obligation is satisfied over time as services are rendered and upfront payment is required and is recognised on a straight-line basis over the extended warranty period.

Provision of motor finance services

The performance obligation is satisfied over time as services are rendered and payment is due according to the monthly instalment schedule.

Sale of food and kitchen appliances

The performance obligation is satisfied upon delivery of the goods and payment is generally due within 30 days from delivery.

Brand management services

The performance obligation is satisfied over time when the services are rendered.

The amounts of transaction prices allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) as at 31 December are as follows:

	2024 S\$'000	2023 S\$'000
Amounts expected to be recognised as revenue:		
Within one year	863	858
After one year	317	4,018
	1,180	4,876

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

The amounts of transaction prices allocated to the remaining performance obligations which are expected to be recognised as revenue after one year relate to sales of extended warranty, of which the performance obligations that are to be satisfied after one year. All the other amounts of transaction prices allocated to the remaining performance obligations are expected to be recognised as revenue within one year. The amounts disclosed above do not include variable consideration which is constrained.

6. PROFIT/(LOSS) BEFORE TAX

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

	Notes	2024 S\$'000	2023 S\$'000
Auditor's remuneration		189	188
Staff costs (excluding directors' and chief executive's remuneration)	9	5,696	7,490
Depreciation of property, plant and equipment	14	219	334
Depreciation of right-of-use assets	15(a)	760	703
Amortisation of intangible assets		4	–
Impairment losses of/(reversal of impairment losses on) trade receivables, net	18	67	(61)
Fair value loss on a financial asset at fair value through profit or loss (included in other expenses)		285	68
Loss on disposal of financial assets at fair value through profit or loss (included in other expenses)		42	–
Expense relating to short-term leases	15(c)	157	184
Exchange losses, net		15	23

7. FINANCE COSTS

	2024 S\$'000	2023 S\$'000
Interest expenses		
– Bank borrowings	98	18
– Lease liabilities (note 15)	60	53
Bank charges	10	15
	168	86

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

8. DIRECTORS' AND CHIEF EXECUTIVE'S REMUNERATION

	2024 S\$'000	2023 S\$'000
Fees	–	46
Salaries, allowances and benefits in kind	103	224
	103	270

The emoluments paid or payable to each of the directors and the chief executive of the Company for the year were as follows:

Year ended 31 December 2024

	Fees S\$'000	Salaries, allowances and benefits in kind S\$'000	Discretionary performance- related bonuses S\$'000	Pension scheme contributions S\$'000	Others S\$'000	Total remuneration S\$'000
(a) Executive directors:						
Mr. CHUA Boon Hou (Cai Wenhao) (note i)	–	–	–	–	–	–
Ms. WU Mengmeng (note x)	–	–	–	–	–	–
Mr. FENG Wei (note iii)	–	–	–	–	–	–
Mr. WANG Lei (Chairman and Chief Executive Officer) (note iv)	–	49	–	–	–	49
Ms. WU Lili (note viii)	–	27	–	–	–	27
	–	76	–	–	–	76
(b) Non-executive directors:						
Mr. LI Xiaodong (note xi)	–	–	–	–	–	–
Mr. WANG Bing (note v)	–	–	–	–	–	–
Mr. ZHAO Yanjiao (note ix)	–	27	–	–	–	27
	–	27	–	–	–	27
(c) Independent non- executive directors:						
Mr. CHEN Huichun (note ii)	–	–	–	–	–	–
Mr. ZHAO Wei (note vi)	–	–	–	–	–	–
Mr. GAO Yan (note vii)	–	–	–	–	–	–
	–	–	–	–	–	–
	–	103	–	–	–	103

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2023

	Fees S\$'000	Salaries, allowances and benefits in kind S\$'000	Discretionary performance- related bonuses S\$'000	Pension scheme contributions S\$'000	Total remuneration S\$'000
(a) Executive directors:					
Mr. CHUA Boon Hou (Cai Wenhao) (note i)	–	120	–	–	120
Mr. FENG Wei (note iii)	–	–	–	–	–
Mr. WANG Lei (note iv)	–	50	–	–	50
Ms. WU Lili (note viii)	–	27	–	–	27
	–	197	–	–	197
(b) Non-executive directors:					
Mr. WANG Bing (note v)	–	–	–	–	–
Mr. ZHAO Yanjiao (note ix)	–	27	–	–	27
	–	27	–	–	27
(c) Independent non-executive directors:					
Mr. CHEN Huichun (note ii)	–	–	–	–	–
Mr. ZHAO Wei (note vi)	23	–	–	–	23
Mr. GAO Yan (note vii)	23	–	–	–	23
	46	–	–	–	46
	46	224	–	–	270

Mr. FENG Wei, Mr. CHUA Boon Hou (Cai Wenhao), Ms. WU Meng Meng, Mr. WANG Bing, Mr. LI Xiaodong, Mr. CHEN Huichun, Mr. ZHAO Wei and Mr. GAO Yan waived emoluments of S\$20,567, S\$211,000, S\$22,268, S\$8,570, S\$22,268, S\$20,567, S\$20,567 and S\$22,268 respectively for the year ended 31 December 2024.

Mr. FENG Wei, Mr. CHEN Huichun and Mr. WANG Bing waived emoluments of S\$20,554, S\$20,554 and S\$20,554 respectively for the year ended 31 December 2023.

The executive directors' emoluments shown above were paid for their services in connection with the management of the affairs of the Company and the Group. The emoluments of the non-executive directors and independent non-executive directors shown above were paid for their services as directors of the Company.

During the years ended 31 December 2024 and 2023, no emoluments were paid or payable by the Group to any directors and chief executive as an inducement to join or upon joining the Group, or as compensation for loss of the office.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Notes:

- (i) Mr. CHUA Boon Hou (Cai Wenhao) was appointed as an executive director of the Company on 13 April 2016.
- (ii) Mr. CHEN Huichun was appointed as an independent non-executive director of the Company on 11 September 2019.
- (iii) Mr. FENG Wei was appointed as an executive director of the Company on 30 December 2021 and resigned on 30 December 2024.
- (iv) Mr. WANG Lei was appointed as an executive director of the Company on 9 February 2022.
- (v) Mr. WANG Bing was appointed as a non-executive director of the Company on 30 December 2021 and resigned on 30 May 2024.
- (vi) Mr. ZHAO Wei was appointed as an independent non-executive director of the Company on 20 October 2021.
- (vii) Mr. GAO Yan was appointed as an independent non-executive director of the Company on 30 June 2022.
- (viii) Ms. WU Lili was appointed as an executive director of the Company on 30 June 2022 and resigned on 30 May 2024.
- (ix) Mr. ZHAO Yanjiao was appointed as a non-executive director of the Company on 30 June 2022 and resigned on 20 September 2024.
- (x) Ms. WU Mengmeng was appointed as an executive director of the Company on 30 May 2024.
- (xi) Mr. LI Xiaodong was appointed as a non-executive director of the Company on 30 May 2024.

9. EMPLOYEE BENEFITS EXPENSES

	2024 S\$'000	2023 S\$'000
Directors' remuneration (note 8):		
– Fees	–	46
– Salaries, allowances and benefits in kind	103	224
	103	270
Staff costs (excluding directors' remuneration):		
– Salaries and bonuses	4,728	5,927
– Pension scheme contributions	547	893
– Foreign worker levy	189	206
– Staff welfare and others	232	464
	5,696	7,490
	5,799	7,760

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

10. FIVE HIGHEST PAID EMPLOYEES

The five highest paid employees of the Group during the year did not include any director (2023: none), details of whose remuneration are set out in note 8 above. Details of the remuneration of the five (2023: five) highest paid employees who are neither a director nor chief executive of the Group for the year are as follows:

	2024 S\$'000	2023 S\$'000
Salaries, allowances and benefits in kind	990	1,009
Discretionary performance-related bonuses	48	36
Pension scheme contributions	84	82
	1,122	1,127

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

	Number of employees	
	2024	2023
Nil to HK\$1,000,000 (equivalent to S\$171,388)	3	3
HK\$1,000,001 to HK\$1,500,000 (equivalent to S\$171,389 to S\$257,082)	1	1
HK\$2,500,001 to HK\$3,000,000 (equivalent to S\$428,471 to S\$514,165)	1	1

During the years ended 31 December 2024 and 2023, no remuneration was paid by the Group to any of the five highest paid employees as an inducement to join or upon joining the Group or as compensation for loss of office.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

11. INCOME TAX EXPENSE

The Group is subject to income tax on an entity basis on profits arising in or derived from the jurisdictions in which members of the Group are domiciled and operate.

Pursuant to the rules and regulations of the Cayman Islands, the Company is not subject to any income tax in the Cayman Islands.

Subsidiaries in Singapore are subject to taxation at a rate of 17% on the estimated profits arising in Singapore for both years.

Subsidiaries in the PRC are subject to taxation at a rate of 25% on the estimated profits arising in the PRC for both years.

No provision for Hong Kong Profits Tax has been made as the Group did not have any assessable profits subject to Hong Kong Profits Tax for both years.

	2024 S\$'000	2023 S\$'000
Current income tax (Singapore income tax)		
– Current year	121	217
– Underprovision in respect of prior years	8	51
Income tax expense	129	268

A reconciliation of the income tax expense applicable to profit/(loss) before tax at the statutory/applicable rates for the countries or jurisdictions in which the Company's subsidiaries are domiciled to the income tax expense at the effective tax rates is as follows:

	2024 S\$'000	2023 S\$'000
Profit/(loss) before tax	1,160	(1,260)
Tax at the statutory tax rate	266	(461)
Income not subject to tax	(103)	(146)
Expenses not deductible for tax	47	943
Underprovision in respect of prior years	8	51
Effect of partial tax exemption and tax relief	(89)	(119)
Income tax expense	129	268

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

12. DIVIDENDS

There were no dividends paid or payable for the year ended 31 December 2024 (2023: Nil).

13. EARNINGS/(LOSS) PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY

The calculation of the basic and diluted earnings/(loss) per share is based on the following data:

	2024 S\$'000	2023 S\$'000
Profit/(loss) for the purpose of basic earnings/(loss) per share		
Profit/(loss) for the year attributable to owners of the Company	1,492	(142)
	2024 '000	2023 '000 (Restated)
Number of shares for the purpose of basic earnings/(loss) per share		
Weighted average number of ordinary shares	40,000	40,000

Basic earnings per share for the year ended 31 December 2024 is S3.73 cents (2023: basic loss per share of S0.36 cents).

The share consolidation completed on 20 February 2025 has been adjusted on the determination of weighted average number of shares. Further details are set out in Note 37. Weighted average number of shares for the year ended 31 December 2023 has been restated accordingly.

The Group had no potential ordinary shares in issue during the years ended 31 December 2024 and 2023, accordingly diluted earnings/(loss) per share is not presented.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

14. PROPERTY, PLANT AND EQUIPMENT/INTANGIBLE ASSETS

	Freehold property S\$'000	Computers S\$'000	Motor vehicles S\$'000	Furniture and fittings S\$'000	Office equipment S\$'000	Renovation S\$'000	Tools and machinery S\$'000	Total S\$'000
As at 31 December 2024								
As at 1 January 2024								
Cost	2,583	366	2,129	854	328	4,195	1,655	12,110
Accumulated depreciation	(572)	(150)	(1,708)	(840)	(314)	(4,195)	(1,655)	(9,434)
Carrying amount	2,011	216	421	14	14	–	–	2,676
As at 1 January 2024	2,011	216	421	14	14	–	–	2,676
Additions, at cost	–	20	148	61	5	–	–	234
Disposal of a subsidiary (note 29)	–	–	–	–	(5)	–	–	(5)
Disposal	–	(24)	(76)	(2)	(7)	–	–	(109)
Depreciation provided during the year (note 6)	(52)	(61)	(89)	(14)	(3)	–	–	(219)
As at 31 December 2024	1,959	151	404	59	4	–	–	2,577
As at 31 December 2024								
Cost	2,583	352	1,928	911	317	4,195	1,655	11,941
Accumulated depreciation	(624)	(201)	(1,524)	(852)	(313)	(4,195)	(1,655)	(9,364)
Carrying amount	1,959	151	404	59	4	–	–	2,577
As at 31 December 2023								
As at 1 January 2023								
Cost	2,583	338	2,609	843	311	4,195	1,655	12,534
Accumulated depreciation	(520)	(94)	(1,929)	(834)	(311)	(4,147)	(1,655)	(9,490)
Carrying amount	2,063	244	680	9	–	48	–	3,044
As at 1 January 2023	2,063	244	680	9	–	48	–	3,044
Additions, at cost	–	28	8	11	17	–	–	64
Disposal	–	–	(98)	–	–	–	–	(98)
Depreciation provided during the year (note 6)	(52)	(56)	(169)	(6)	(3)	(48)	–	(334)
As at 31 December 2023	2,011	216	421	14	14	–	–	2,676
As at 31 December 2023								
Cost	2,583	366	2,129	854	328	4,195	1,655	12,110
Accumulated depreciation	(572)	(150)	(1,708)	(840)	(314)	(4,195)	(1,655)	(9,434)
Carrying amount	2,011	216	421	14	14	–	–	2,676

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

The freehold property is located at 9 Tagore Lane #03-10, 9@Tagore, Singapore 787472 and represents a commercial unit in a building for the Group's warehousing purpose. The carrying amount of the Group's freehold property as at 31 December 2024 was S\$1,959,000 (2023: S\$2,011,000).

During the year ended 31 December 2024, in view of the unsatisfactory financial performance during the year, the management of the Group concluded there was indication for impairment and conducted impairment assessment on property, plant and equipment and right-of-use assets related to the cash generating units ("CGUs") of food and kitchen segment. The CGUs were identified based on reportable segments. Since this segment was newly established during the prior year and the management expects business growth in the future, no provision for impairment of assets of these CGUs was recognised as at 31 December 2024 and 31 December 2023.

Intangible assets held by the Group as at 31 December 2024 are as per below:

	Software S\$'000
Cost:	
At 1 January 2023 and 31 December 2023	–
Additions	21
At 31 December 2024	21
Accumulated amortisation:	
At 1 January 2023 and 31 December 2023	–
Provided for	4
At 31 December 2024	4
Carrying amount:	
At 31 December 2024	17
At 31 December 2023	–

The intangible assets represents software purchased from vendors with an estimated useful lives of 5 years.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

15. LEASES

THE GROUP AS A LESSEE

The Group has lease contracts for various items of properties, motor vehicle and other equipment used in its operations. Leases of properties generally have lease terms between 2 and 5 years. Other equipment generally has lease terms between 3 and 4 years. Generally, the Group is restricted from assigning and subleasing the leased assets outside the Group.

(a) Right-of-use assets

The carrying amounts of the Group's right-of-use assets and the movements during the year are as follows:

	Properties S\$'000	Motor vehicle S\$'000	Equipment S\$'000	Total S\$'000
As at 1 January 2023	1,790	–	46	1,836
Additions	528	–	–	528
Depreciation provided during the year (note 6)	(687)	–	(16)	(703)
As at 31 December 2023	1,631	–	30	1,661
Additions	–	625	–	625
Lease modification	(112)	–	–	(112)
Depreciation provided during the year (note 6)	(663)	(82)	(15)	(760)
As at 31 December 2024	856	543	15	1,414

(b) Lease liabilities

The carrying amount of lease liabilities (included under bank and other borrowings) and the movements during the year are as follows:

	2024 S\$'000	2023 S\$'000
Carrying amount 1 January	2,177	2,131
New leases	625	528
Lease modification	(112)	–
Accretion of interest recognised during the year (note 7)	60	53
Payments	(1,531)	(535)
Carrying amount at 31 December	1,219	2,177
Analysed into:		
Current portion (note 24)	313	620
Non-current portion (note 24)	906	1,557
	1,219	2,177

The maturity analysis of lease liabilities is disclosed in note 33 to the consolidated financial statements.

The weighted average incremental borrowing rates applied to lease liabilities ranged from 1.8% to 3.9% (2023: 1.8% to 2.6%).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(c) The amounts recognised in profit or loss in relation to leases are as follows:

	2024 S\$'000	2023 S\$'000
Interest on lease liabilities (note 7)	60	53
Depreciation of right-of-use assets (note 6)	760	703
Expense relating to short-term leases (note 6)	157	184
Total amount recognised in profit or loss	977	940

16. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2024 S\$'000	2023 S\$'000
Non-current		
Financial assets at fair value through profit or loss		
Life insurance policy, at fair value (note a)	530	492
Current		
Listed equity securities		
– overseas (note b)	1,505	1,603
	2,035	2,095

Notes:

- (a) The Group has entered into a life insurance policy with an insurance company to insure the executive director of a subsidiary of the Company. Under this policy, the Group is the beneficiary and the policyholder. The Group paid upfront premiums for this policy and may surrender any time by filing a written request and receive cash based on the surrender value of the policy at the date of withdrawal, which is calculated by the insurer. In the opinion of the directors of the Company, the surrender value of the policy provided by the insurance company is the best approximation of its fair value, which is categorised within Level 2 of the fair value hierarchy. An increase/decrease of 5% in the surrender value of the policy would result in an increase/decrease of S\$26,000 (2023: S\$25,000) in profit/(loss) after tax. This life insurance policy is pledged to secure interest bearing borrowings granted to the Group (note 24).

It was classified as a financial asset at fair value through profit or loss as its contractual cash flows are not solely payments of principal and interest.

- (b) The fair value of listed equity securities are based on quoted market prices in active market.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

17. INVENTORIES

	2024 S\$'000	2023 S\$'000
Spare parts and accessories	308	333
Motor vehicles	292	291
Food and equipment and consumables	615	46
	1,215	670

Inventories are stated net of allowance for inventory obsolescence of S\$716,000 as at 31 December 2024 (2023: S\$716,000). During the year ended 31 December 2024, allowance for inventory obsolescence amounting to Nil (2023: Nil) was recognised.

18. TRADE RECEIVABLES

	2024 S\$'000	2023 S\$'000
Trade receivables, gross carrying amount	1,188	1,447
Less: Impairment losses recognised	(124)	(57)
	1,064	1,390

Trade receivables are non-interest-bearing and are generally on 30 days' terms (2023: 30 days' terms). They are recognised at their original invoice amounts which represent their fair values on initial recognition.

An ageing analysis of the gross carrying amount of trade receivables as at the end of the reporting period, based on the date of the goods sold or services rendered, is as follows:

	2024 S\$'000	2023 S\$'000
Less than 30 days	957	1,344
30–60 days	20	43
61–90 days	15	4
91–120 days	83	–
More than 120 days	113	56
	1,188	1,447

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

The movements of the allowance accounts used to record the impairment are as follows:

	2024 S\$'000	2023 S\$'000
At beginning of year	57	118
Impairment losses recognised	67	–
Reversal of impairment loss	–	(61)
At end of year	124	57

Management recognises a loss allowance for lifetime ECLs on the trade receivables individually or collectively. Except for significant balances or credit-impaired amounts which are assessed for impairment individually, the remaining trade receivables are grouped under a collective assessment after considering internal credit ratings of trade debtors, ageing, repayment history and/or past due status of respective trade receivables. Estimated loss rates are based on historical observed default rates over the expected life of the debtors and are adjusted for supportable forward-looking information that is reasonable and supportable available without due costs or effort.

Set out below is the information about the credit risk exposure on the Group's trade receivables:

As at 31 December 2024

	Current S\$'000	Past due			Total S\$'000
		Less than 1 month S\$'000	1 to 3 months S\$'000	Over 3 months S\$'000	
Gross carrying amount	957	16	102	113	1,188
Expected credit losses	–	–	(11)	(113)	(124)
	957	16	91	–	1,064

As at 31 December 2023

	Current S\$'000	Past due			Total S\$'000
		Less than 1 month S\$'000	1 to 3 months S\$'000	Over 3 months S\$'000	
Gross carrying amount	1,313	74	4	56	1,447
Expected credit losses	–	–	(1)	(56)	(57)
	1,313	74	3	–	1,390

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

19. PREPAYMENTS, OTHER RECEIVABLES AND OTHER ASSETS

	2024 S\$'000	2023 S\$'000
Non-current		
Prepayments	–	38
Loan receivables from third parties*	1,126	1,368
	1,126	1,406
Current		
Prepayments	1,730	941
Other receivables	1,788	932
Deposits**	2,963	5,700
Loan receivables from third parties*	683	735
	7,164	8,308
	8,290	9,714

* The amount mainly represents interest-bearing S\$ loans provided to customers for the purchase of vehicles. The tenure of the loans can range from 1 to 7 years or may be determined based on the age of the motor vehicle. The interest rates are fixed and the rates for outstanding loans as of 31 December 2024 range from 3% to 7% (2023: 3% to 7%). The offered interest rate depends on various factors such as the prevailing Singapore Interbank Offered Rate ("SIBOR") rate at the start of the loan, the age, make and model of the vehicle, the loan tenure, and the borrower's creditworthiness and risk profile. Collaterals for these loans involve lodging the motor vehicle purchased with the hire purchase, Finance and Leasing Association of Singapore. All customers who avail of these loans are independent individual customers.

** The amount mainly represents deposit paid for the purchase of electric vehicles for resale purpose. Given the significant slowdown in motor vehicle sales during the financial year, the Company renegotiated with the supplier and decided to delay the upgrade of its facilities and varied the order contract. By mutual agreement, the supplier refunded the deposit of S\$2,000,000 during the year ended 31 December 2024. As at 31 December 2024, the balance was S\$2,700,000 (2023: S\$5,700,000). In the opinion of the directors of the Company, no impairment loss was recognised during the year ended 31 December 2024 (2023: Nil).

The financial assets included in the above balances relate to receivables for which there was no recent history of default. As at 31 December 2024 and 2023, the loss allowance was assessed to be minimal.

The Group calculates the ECLs for loan receivables from third parties by grouping the debtors based on shared credit risk characteristics. The internal credit risk ratings are determined on a combination of collective and individual basis taking into account of qualitative (such as debtors' operating conditions, financial positions, external rating of debtors, etc.) and quantitative factors (mainly includes past due information of the loan receivables from third parties). The measurement of ECLs is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is by referencing the external data adjusted by macroeconomic factors and forward-looking information, etc..

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Set out below is the information about the credit risk exposure on the Group's loan receivables from third parties:

	2024 S\$'000	2023 S\$'000
Gross carrying amount	1,809	2,103
Expected credit losses	–	–
	1,809	2,103

20. CASH AND CASH EQUIVALENTS

	2024 S\$'000	2023 S\$'000
Bank balances and cash	5,351	2,930

Cash at banks earns interest at floating rates based on daily bank deposit rates. The bank balances are deposited with creditworthy banks with no recent history of default.

Cash and cash equivalents denominated in foreign currencies are as follows:

	2024 Local currency '000	S\$'000	2023 Local currency '000	S\$'000
Hong Kong dollar	–	–	7	1
Renminbi	4	1	1,674	310

Conversion of Renminbi into foreign currencies is subject to the PRC's Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations.

21. TRADE AND OTHER PAYABLES

	2024 S\$'000	2023 S\$'000
Trade payables	1,772	1,416
Other payables	3,911	2,193
Accrued expenses	1,003	1,557
Amount due to a director*	2,206	2,206
	8,892	7,372

* The amount represents non-interest-bearing financial support provided to the Group from a director, which is repayable on demand.

Trade and other payables are normally settled on 60 days' terms (2023: 60 days' terms). These amounts are non-interest-bearing.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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

	2024 S\$'000	2023 S\$'000
Less than 30 days	666	1,129
30–60 days	360	252
61–90 days	26	–
91–120 days	411	3
More than 120 days	309	32
	1,772	1,416

22. PROVISION

The amount represents the provision for reinstatement costs for rented premises and is related to the estimated costs of reinstating the rented premises to be carried out at the end of respective lease periods.

23. CONTRACT LIABILITIES

Contract liabilities primarily relate to the Group's obligation to transfer services to customers for which the Group has received advances from the customers.

Details of contract liabilities are as follows:

	2024 S\$'000	2023 S\$'000
<i>Advances received from customers</i>		
Sale of goods	172	418
Maintenance and repair services	645	468
Brand management services	–	3,281
Sale of extended warranty	363	709
Total contract liabilities	1,180	4,876

Contract liabilities include advances received to deliver industrial products, render maintenance and repair, modification, tuning and grooming services, and to provide a sales-integrated service platform. The decrease in contract liabilities in 2024 was mainly due to realisation of brand management services as revenue in the current year and no further deposits received (2023: increase due to the increase in deposit received from customers in relation to brand management services).

All of the contract liabilities as at 31 December 2024 and 2023 are expected to be recognised as revenue within 2 years from the end of reporting period.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Significant changes in contract liabilities are as follows:

	2024 S\$'000	2023 S\$'000
At beginning of the year	4,876	2,934
Advance payments received during the year	499	3,913
Revenue recognised during the year that was included in the contract liabilities balance at the beginning of the year	(914)	(1,571)
Revenue recognised and received during the year	(154)	(400)
Disposal of a subsidiary (note 29)	(3,127)	–
At end of the year	1,180	4,876
Analysed into:		
Within one year included in current liabilities	863	858
After one year included in non-current liabilities	317	4,018
	1,180	4,876

24. BANK AND OTHER BORROWINGS

	2024 Maturity	2024 S\$'000	2023 Maturity	2023 S\$'000
Current				
Lease liabilities (note 15(b))	2025	313	2024	620
Bank borrowings:				
– S\$ borrowings at 1.8% per annum (note a)	2025	267	N/A	–
		580		620
Non-current				
Lease liabilities (note 15(b))	2026–2028	906	2025–2028	1,557
Bank borrowings:				
– S\$ borrowings at 1.8% per annum (note a)	2026–2029	1,106	N/A	–
		2,012		1,557
Total		2,592		2,177

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

	2024 S\$'000	2023 S\$'000
Analysed into:		
Repayable		
– Within one year	580	620
– In the second to fifth years	2,012	1,557
	2,592	2,177
Analysed for financial reporting:		
– Included in current liabilities	580	620
– Included in non-current liabilities	2,012	1,557
	2,592	2,177

Notes:

- (a) This borrowings are secured by the legal assignment of the life insurance policy (note 16) and personal guarantee given by a director of the Group's subsidiaries.
- (b) All borrowings are denominated in SGD.

25. DEFERRED TAX LIABILITIES

	2024 S\$'000	2023 S\$'000
Deferred tax (liabilities)/assets recognised:		
Differences in depreciation for tax purpose	(36)	(36)
Provisions	24	24
Deferred tax liabilities recognised	(12)	(12)
	2024 S\$'000	2023 S\$'000
Movement during the year:		
Balance at beginning of the year	(12)	(12)
Deferred tax credit recognised for the year	–	–
Balance at end of the year	(12)	(12)

The Group has unutilised tax losses of S\$682,000 (2023: S\$682,000) that are available to offset against future taxable profits of the companies in which the losses arise, for which no deferred tax assets are recognised due to uncertainty of their recoverability. The use of these tax losses is subject to the agreement of the tax authority and compliance with certain provisions of tax legislation of the Mainland China that will expire in one to five years.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

26. SHARE CAPITAL

	2024 S\$'000	2023 S\$'000
Issued and fully paid: 2,000,000,000 (2023: 2,000,000,000) ordinary shares of HK\$0.0025 each	900	900

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restrictions.

The share consolidation completed on 20 February 2025 has been adjusted on the determination of weighted average number of shares.

27. RESERVES

The amounts of the Group's reserves and the movements therein for the reporting period are presented in the consolidated statement of changes in equity.

SHARE PREMIUM

Share premium represents the difference between the nominal value and the issuing value of the shares.

OTHER CAPITAL RESERVE

Other capital reserve represents the difference between the carrying amount and the fair value of the non-interest-bearing financial support provided by a shareholder.

MERGER RESERVE

Merger reserve represents the difference between the consideration paid and the share capital of the acquired entities under common control.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

28. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

(a) MAJOR NON-CASH TRANSACTIONS

In 2024, the Group had non-cash additions to right-of-use assets and lease liabilities of S\$625,000 (2023: S\$528,000) and S\$625,000 (2023: S\$528,000), respectively, in respect of lease arrangements for motor vehicle (2023: office premise).

On 3 June 2024, Beijing Shiji Trading Technology Co., Limited and Beijing Zhaolanxuan Trading Co., Ltd have deregistered with other payables and accruals of approximately S\$82,000.

(b) CHANGES IN LIABILITIES ARISING FROM FINANCING ACTIVITIES

As at 31 December 2024

	Amount due to a director included in trade and other payables S\$'000	Bank and other borrowings S\$'000	Lease liabilities (included in bank and other borrowings) S\$'000
As at 1 January 2024	2,206	–	2,177
Net financing cash flows	–	1,373	(1,471)
New leases	–	–	625
Lease modification	–	–	(112)
Interest expense	–	98	60
Interest paid classified as operating cash flows	–	(98)	(60)
As at 31 December 2024	2,206	1,373	1,219

As at 31 December 2023

	Amount due to a director included in trade and other payables S\$'000	Bank and other borrowings S\$'000	Lease liabilities (included in bank and other borrowings) S\$'000
As at 1 January 2023	2,206	400	2,131
Net financing cash flows	–	(400)	(482)
New leases	–	–	528
Interest expense	–	18	53
Interest paid classified as operating cash flows	–	(18)	(53)
As at 31 December 2023	2,206	–	2,177

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(c) TOTAL CASH OUTFLOW FOR LEASES

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

	2024 S\$'000	2023 S\$'000
Within operating activities	157	184
Within financing activities	1,471	482
	1,628	666

29. DISPOSAL OF A SUBSIDIARY

On 8 May 2024, an indirect wholly-owned subsidiary of the Company, Beijing Zhengli Changsheng Technology Co., Limited, entered into a sale and purchase agreement with an independent third party to dispose of 51% interest in U-K Doddo (Beijing) Brand Management Co., Ltd at a consideration of Nil. The disposal was completed on 8 May 2024.

The assets and liabilities of U-K Doddo (Beijing) Brand Management Co., Ltd on the date of disposal:

	S\$'000
Property, plant and equipment	5
Inventories	95
Prepayments, other receivables and other assets	141
Bank balances	9
Trade and other payables	(612)
Contract liabilities	(3,127)
	(3,489)
Gain on disposal of a subsidiary:	
Net consideration received	–
Add: non-controlling interests	1,392
release of foreign currency translation reserve	247
Net liabilities disposed off	(3,489)
	(1,850)
Satisfied by:	
Cash consideration received	–
Net cash outflows on disposal:	
Cash consideration received	–
Bank balances and cash disposed of	(9)
	(9)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

30. RELATED PARTY TRANSACTIONS AND BALANCES

Saved as the transactions and outstanding balances as detailed elsewhere in these consolidated financial statements, the Group had the following transactions and outstanding balances with related parties:

(a) COMPENSATION OF KEY MANAGEMENT PERSONNEL OF THE GROUP

	2024 S\$'000	2023 S\$'000
Salaries, allowances and benefits in kind	103	270

Further details of directors' remuneration are included in note 8 to the consolidated financial statements.

(b) AMOUNT DUE TO RELATED PARTY OF THE GROUP

	2024 S\$'000	2023 S\$'000
Amount due to a director	2,206	2,206

31. FINANCIAL INSTRUMENTS BY CATEGORY

The carrying amounts of each of the categories of financial instruments as at the end of the reporting period are as follows:

AS AT 31 DECEMBER 2024

Financial assets

	Financial assets at fair value through profit or loss S\$'000	Financial assets at amortised cost S\$'000	Total S\$'000
Financial assets at fair value through profit or loss	2,035	–	2,035
Trade receivables	–	1,064	1,064
Financial assets included in prepayments, other receivables and other assets	–	3,597	3,597
Cash and cash equivalents	–	5,351	5,351
	2,035	10,012	12,047

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Financial liabilities

	Financial liabilities at amortised cost S\$'000
Financial liabilities included in trade and other payables	7,889
Bank and other borrowings	1,373
	9,262

AS AT 31 DECEMBER 2023

Financial assets

	Financial assets at fair value through profit or loss S\$'000	Financial assets at amortised cost S\$'000	Total S\$'000
Financial assets at fair value through profit or loss	2,095	–	2,095
Trade receivables	–	1,390	1,390
Financial assets included in prepayments, other receivables and other assets	–	3,035	3,035
Cash and cash equivalents	–	2,930	2,930
	2,095	7,355	9,450

Financial liabilities

	Financial liabilities at amortised cost S\$'000
Financial liabilities included in trade and other payables	5,815
Bank and other borrowings	–
	5,815

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

32. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS

Fair value of the Group's financial assets that are measured at fair value on a recurring basis

Some of the Group's financial assets are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of these financial assets are determined (in particular, the valuation technique(s) and inputs used), as well as the level of the fair value hierarchy into which the fair value measurements are categorised (levels 1 to 3) based on the degree to which the inputs to the fair value measurements is observable.

Financial assets	31 December 2024 S\$'000	2023 S\$'000	Fair value hierarchy	Valuation technique(s) and key input(s)	Significant unobservable inputs
Financial assets at fair value through profit or loss (note 16)	Life insurance policy: 530	Life insurance policy: 492	Level 2	Quoted asset value based on the surrender value of the policy provided by a financial institution	N/A
	Listed equity securities: 1,505	Listed equity securities: 1,603	Level 1	Quoted bid prices in an active market	N/A

Fair value of the Group's financial assets and financial liabilities that are not measured at fair value on a recurring basis

The directors of the Company consider that the carrying amounts of financial assets and financial liabilities recognised at amortised cost in the consolidated financial statements approximate their fair values at the end of the reporting period.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

33. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group is exposed to financial risks arising from its operations and the use of financial instruments. The key financial risks include credit risk, interest rate risk, foreign currency risk, liquidity risk and equity price risk. The Group's overall risk management objective is to effectively manage these risks and seek to minimise potential adverse effects on the financial performance of the Group. The Group reviews and agrees policies for managing each of these risks and they are summarised below.

CREDIT RISK

The Group adopts the policy of dealing only with customers with appropriate credit history, and obtaining sufficient security where appropriate to mitigate credit risk. For financial assets, the Group adopts the policy of dealing with financial institutions and other counterparties with high credit ratings.

Customers' payment profiles and credit exposure are continuously monitored by the Company.

Maximum exposure and year-end staging

The tables below show the credit quality and the maximum exposure to credit risk based on the Group's credit policy, which is mainly based on past due information unless other information is available without undue cost or effort, and year-end staging classification as at 31 December.

The amounts presented are gross carrying amounts for financial assets.

As at 31 December 2024

	12-month ECLS	Lifetime ECLs			Total S\$'000
	Stage 1 S\$'000	Stage 2 S\$'000	Stage 3 S\$'000	Simplified approach S\$'000	
Trade receivables*	–	–	–	1,188	1,188
Loan receivables from third parties*	–	–	–	1,809	1,809
Financial assets included in prepayments, other receivables and other assets (other than loan receivables from third parties)					
– Normal**	1,788	–	–	–	1,788
Cash and cash equivalents	5,351	–	–	–	5,351
	7,139	–	–	2,997	10,136

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

As at 31 December 2023

	12-month ECLS	Lifetime ECLs			Total S\$'000
	Stage 1 S\$'000	Stage 2 S\$'000	Stage 3 S\$'000	Simplified approach S\$'000	
Trade receivables*	–	–	–	1,447	1,447
Loan receivables from third parties*	–	–	–	2,103	2,103
Financial assets included in prepayments, other receivables and other assets (other than loan receivables from third parties)					
– Normal**	932	–	–	–	932
Cash and cash equivalents	2,930	–	–	–	2,930
	3,862	–	–	3,550	7,412

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

** The credit quality of the financial assets included in prepayments, other receivables and other assets (other than loan receivables from third parties) is considered to be “normal” when they are not past due and there is no information indicating that the financial assets had a significant increase in credit risk since initial recognition. Otherwise, the credit quality of the financial assets is considered to be “doubtful”.

Further quantitative data in respect of the Group’s exposure to credit risk arising from trade receivables, prepayments, other receivables and other assets and cash and cash equivalents are disclosed in note 18, note 19 and note 20 to the consolidated financial statements, respectively.

INTEREST RATE RISK

The Group does not have any exposure to cash flow interest rate risk. As at 31 December 2024 and 2023, the management considers the Group’s exposure to cash-flow interest rate risk arising from variable rate borrowings as minimal.

The Group has no significant interest-bearing assets other than bank balances. The Group has bank and other borrowings, loan receivables and lease liabilities at fixed interest rates that expose the Group to fair value interest rate risk.

FOREIGN CURRENCY RISK

The Group has currency exposures arising from sales and purchases that are denominated in a currency other than the respective functional currencies of the group entities, primarily the Singapore dollar. The currencies giving rise to this risk are primarily the United States dollar (“US\$”), Hong Kong dollar (“HK\$”), Euro (“EUR”), Renminbi (“RMB”) and British pound (“GBP”).

The Group’s exposure to foreign currencies in respect of financial assets and liabilities is disclosed in the respective notes to the consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

As at 31 December 2024 and 2023, the carrying amounts of the Group's foreign currency denominated monetary assets at the end of each reporting period are as follows.

	2024 S\$'000	2023 S\$'000
US\$	529	490
HK\$	(4,244)	(3,661)
EUR	–	(3)
RMB	(4,618)	(2,831)

The following demonstrates the sensitivity to a reasonably possible change in US\$, HK\$, EUR and RMB against the Singapore dollar, with all other variables held constant, of the Group's profit/(loss) before tax:

	2024 Profit before tax (decreased)/ increased by: S\$'000	2023 Loss before tax (increased)/ decreased by: S\$'000
US\$ against S\$		
– strengthened 6% (2023: 6%)	(32)	(29)
– weakened 6% (2023: 6%)	32	29
HK\$ against S\$		
– strengthened 6% (2023: 6%)	254	220
– weakened 6% (2023: 6%)	(254)	(220)
EUR against S\$		
– strengthened 6% (2023: 6%)	N.m.	N.m.
– weakened 6% (2023: 6%)	N.m.	N.m.
RMB against S\$		
– strengthened 6% (2023: 6%)	277	170
– weakened 6% (2023: 6%)	(277)	(170)

N.m. Amount less than S\$1,000.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

LIQUIDITY RISK

The Group manages liquidity risk by maintaining cash and available funding through committed credit facilities sufficient to enable it to meet its operational requirements.

The table below analyses the maturity profile of the Group's financial liabilities based on contractual undiscounted cash flows:

	Within 1 year S\$'000	1 to 5 years S\$'000	Over 5 years S\$'000	Total undiscounted cash flows S\$'000	Carrying amount S\$'000
As at 31 December 2024					
Financial liabilities included in trade and other payables	7,889	–	–	7,889	7,889
Lease liabilities	708	906	–	1,614	1,219
Interest-bearing bank and other borrowings (excluding lease liabilities)	272	1,126	–	1,398	1,373
	8,869	2,032	–	10,901	10,481

	Within 1 year S\$'000	1 to 5 years S\$'000	Over 5 years S\$'000	Total undiscounted cash flows S\$'000	Carrying amount S\$'000
As at 31 December 2023					
Financial liabilities included in trade and other payables	5,815	–	–	5,815	5,815
Lease liabilities	760	2,012	–	2,772	2,177
	6,575	2,012	–	8,587	7,992

EQUITY PRICE RISK

Equity price risk is the risk that the fair values of equity securities decrease as a result of changes in the levels of equity indices and the value of individual securities. The Group is exposed to equity price risk arising from financial assets at fair value through profit or loss (note 16) as at 31 December 2024 and 2023.

The following table demonstrates the sensitivity to every 5% change in the fair values of the listed equity securities, with all other variables held constant and before any impact on tax, based on their carrying amounts at the end of the reporting period. For the purpose of this analysis, for the financial assets at fair value through profit or loss, the impact is deemed to be on the profit or loss.

	2024 Carrying amount of equity investments S\$'000	2023 Carrying amount of equity investments S\$'000
Listed equity securities	1,505	1,603

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

	2024 Profit before tax increased/ (decreased) by: S\$'000	2023 Loss before tax decreased/ (increased) by: S\$'000
Listed equity securities		
– increased 5%	75	80
– decreased 5%	(75)	(80)

CAPITAL MANAGEMENT

The primary objectives of the Group's capital management are to safeguard the Group's ability to continue as a going concern and to provide adequate cash flows to meet its operating requirements.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made to the objectives, policies or processes for managing capital during the years ended 31 December 2024 and 2023.

The Group monitors capital using a gearing ratio, which is interest-bearing bank and other borrowings divided by the total equity. The Group's policy is to keep the gearing ratio at a reasonable level. The gearing ratios are as follows:

	2024 S\$'000	2023 S\$'000
Interest-bearing bank and other borrowings (note 24)	2,592	2,177
Equity attributable to owners of the Company	8,880	7,186
Gearing ratio	0.29	0.30

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

34. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

Information about the statement of financial position of the Company at the end of the reporting period is as follows:

	2024 S\$'000	2023 S\$'000
NON-CURRENT ASSET		
Investment in a subsidiary	2,069	2,069
Total non-current asset	2,069	2,069
CURRENT ASSETS		
Prepayment	8	27
Cash and cash equivalents	–	1
Total current assets	8	28
CURRENT LIABILITIES		
Other payables	2,096	1,482
Amount due to a director	2,206	2,206
Amounts due to subsidiaries	70	70
Total current liabilities	4,372	3,758
NET CURRENT LIABILITIES	(4,364)	(3,730)
Net liabilities	(2,295)	(1,661)
EQUITY		
Share capital	900	900
Reserves	(3,195)	(2,561)
Total deficit	(2,295)	(1,661)

A summary of the Company's reserves is as follows:

	Share premium S\$'000	Other capital reserve S\$'000	Accumulated losses S\$'000	Total S\$'000
As at 1 January 2023	8,982	126	(11,032)	(1,924)
Loss and total comprehensive expense for the year	–	–	(637)	(637)
As at 31 December 2023 and 1 January 2024	8,982	126	(11,669)	(2,561)
Loss and total comprehensive expense for the year	–	–	(634)	(634)
As at 31 December 2024	8,982	126	(12,303)	(3,195)

35. SHARE OPTION SCHEME

The Company adopted a share option scheme ("Share Option Scheme") on 21 October 2016 for the purpose of enabling the Company to grant rights to subscribe for Shares pursuant to the terms of the Share Option Scheme ("Options", each an "Option") as incentives or rewards to the Participants (as defined below) for their contribution to the Group and/or to enable the Group to recruit and retain high calibre employees and attract human resources that are valuable to the Group and any entity which the Group holds any equity interest ("Invested Entity"). The terms of the Share Option Scheme are in accordance with the provisions of Chapter 23 of the GEM Listing Rules.

The period of Share Option Scheme commenced on 21 October 2016 and will expire on 20 October 2026.

The Board may, at its discretion, invite any Executive, Non-Executive or Independent Non-Executive Directors or any employees (whether full-time or part-time) of the Company, or any of its subsidiaries or associated companies or any other person whom the Board considers, in its sole discretion, has contributed or will contribute to the Group ("Participants", each a "Participant") to take up the Options. The basis of eligibility of any of the class of the Participants to the grant of any Option shall be determined by the Board from time to time on the basis of their contribution to the development and growth of the Group and any Invested Entity. Unless otherwise determined by the Board and specified in the offer letter to be given to the Participant at the time of the offer of the Option ("Offer"), there is neither any performance target that needs to be achieved by the Participant who accepts an Offer in accordance with the terms of the Share Option Scheme ("Grantee") before an Option can be exercised nor any minimum period for which an Option must be held before the Option can be exercised.

The subscription price for the Shares under the Share Option Scheme shall be such price as determined by the Board in its absolute discretion at the time of the grant of the relevant Option, but in any case shall not be less than the highest of (a) the closing price of the Shares as stated in the Stock Exchange's daily quotations sheet on the date on which an Offer is made by the Company to the Grantee (which date must be a Business Day, "Offer Date"); (b) a price being the average of the closing prices of the Shares as stated in the Stock Exchange's daily quotations sheets for the five (5) Business Days immediately preceding the Offer Date (provided that the Offer Price shall be used as the closing price for any Business Day falling within the period before listing of the Shares where the Company has been listed for less than five (5) Business Days as at the Offer Date); and (c) the nominal value of a Share.

The amount payable by the grantee of an Option to the Company on acceptance of the offer for the grant of an Option is HK\$1.00, which shall be payable within the period as the Board may determine and specify in the letter of Offer.

An Option may be exercised in accordance with the terms of the Share Option Scheme at any time during the period to be determined by the Board at its absolute discretion and notified by the Board to each Grantee as being the period during which an Option may be exercised and in any event, such period shall not be longer than 10 years from the date upon which any particular Option is granted in accordance with the Share Option Scheme.

The maximum number of unexercised share options currently permitted to be granted under the Share Option Scheme and any other share option scheme of the Company shall not in aggregate exceed 10% of the total number of Shares in issue immediately following the listing of the Company on the Stock Exchange and the subdivision of shares of the Company approved on 3 April 2019 and become effective on 4 April 2019 (being 2,000,000,000 Shares). The maximum number of shares issuable under share options to each eligible participant in the Company's Scheme within any 12-month period, is limited to 1% of the shares of the Company in issue at any time. Any further grant of share options in excess of this limit is subject to Shareholders' approval in a general meeting. The Company may grant options in respect of up to 200,000,000 Shares to the participants under the Share Option Scheme, being 10% of the issued shares of the Company as at the date of this report.

No option has lapsed, or has been granted, exercised or cancelled under the Share Option Scheme during the years ended 31 December 2024 and 2023. The Group did not have any outstanding share options, warrants, convertible instruments, or similar rights convertible into the Shares as at 31 December 2024 and 2023, nor has there been any exercise, redemption, purchase or cancellation made during the years ended 31 December 2024 and 2023 of any conversion or subscription rights under any convertible securities, options, warrants or similar rights issued or granted.

36. RETIREMENT BENEFIT PLANS

The Group operates the MPF scheme under the Hong Kong Mandatory Provident Fund Schemes Ordinance for employees employed under the jurisdiction of the Hong Kong Employment Ordinance. The MPF scheme is a defined contribution retirement plan administered by independent trustees. Under the MPF scheme, the employer and its employees are each required to make contributions to the plan at 5% of the employees' relevant income, subject to a cap of monthly relevant income of HK\$30,000 (2023: HK\$30,000). Contributions to the plan vest immediately.

The Group are required to make retirement contribution to Central Provident Fund ("CPF") for its employees working in Republic of Singapore (the "Singapore"). The CPF is a comprehensive social security system that enables working citizens and permanent residents of Singapore to set aside funds for retirement. The Group are required to pay monthly to the CPF in respect of each employee, who is either a citizen or permanent resident of Singapore, contributions at the contribution rates prescribed under the Central Provident Fund Act (Cap 36) of Singapore ("CPFA").

Pursuant to section 7(2) of the CPFA, the employer is allowed to recover certain amounts as stipulated in the CPFA from the monthly wages of an employee.

Section 7(3) of the CPFA provides that any employer who has recovered any amount from the monthly wages of an employee in accordance with the CPFA and fails to pay the contributions to the CPF within such time as may be prescribed, shall be guilty of an offence and shall be liable on conviction to a fine not exceeding S\$10,000 or to imprisonment for a term not exceeding seven (7) years or to both.

Section 9 of the CPFA provides that, where the amount of the contributions which an employer is liable to pay in respect of any month is not paid within the prescribed period for payment, the employer shall be liable to pay interest on the amount for every day the amount remains unpaid commencing from the first day of the month succeeding the month in respect of which the amount is payable and the interest shall be calculated at the rate of 1.5% per month or the sum of S\$5.00, whichever is the greater.

The CPFA provides that in general if any person convicted of an offence under the CPFA for which no penalty is provided shall be liable on conviction to pay a fine not exceeding S\$5,000 or to imprisonment for a term not exceeding 6 months or both, and if that person is a repeat offender for the same offence, to a fine not exceeding S\$10,000 or to imprisonment for a term not exceeding 12 months or both.

The total expense recognised in consolidated statement of profit or loss and other comprehensive income of approximately S\$547,000 (2023: S\$893,000) respectively, represent contributions paid and/or payable to the scheme by the Group for the year ended 31 December 2024. At the end of the reporting period, the Group had no forfeited contributions which may be used to reduce the retirement benefit contributions in future (2023: Nil).

37. EVENTS AFTER THE REPORTING PERIOD

On 23 January 2025, the Company completed a placing of an aggregate of 400,000,000 placing shares to independent investors at the placing price of HK\$0.04 per placing share (the "Placing"). The net proceeds (after deducting the placing commission and other related expense from the Placing) are approximately HK\$15.3 million. The Company intends to apply the net proceeds for investment in the Group's ready-made food and smart kitchen solutions business and general working capital of the Group. Further details are set out in the Company's announcement on 23 January 2025.

On 18 February 2025, the Company has passed the extra ordinary resolution for share consolidation ("Share Consolidation") transactions of every fifty (50) issued and unissued existing shares of par value of HK\$0.0025 each into one (1) consolidated share of par value of HK\$0.125 each. Further details are set out in the Company's announcement on 18 February 2025.

38. APPROVAL OF THE CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements were approved and authorised for issue by the board of directors on 31 March 2025.

FINANCIAL SUMMARY

Results	2024 S\$'000	2023 S\$'000	2022 S\$'000	2021 S\$'000	2020 S\$'000
Revenue	18,866	23,871	23,593	20,233	20,421
Profit/(loss) before tax	1,160	(1,260)	102	(441)	1,145
Income tax expense	(129)	(268)	(175)	(118)	(67)
Profit/(loss) for the year	1,031	(1,528)	(73)	(559)	1,078

Assets and liabilities	2024 S\$'000	2023 S\$'000	2022 S\$'000	2021 S\$'000	2020 S\$'000
Total assets	21,963	21,136	19,738	19,716	20,036
Total liabilities	13,150	15,028	12,162	12,088	11,839
Total equity	8,813	6,108	7,576	7,628	8,197