



Optima Automobile Group Holdings Limited

傲迪瑪汽車集團控股有限公司

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 8418



2024
ANNUAL REPORT

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*This report, for which the directors (the “**Directors**”) of Optima Automobile Group Holdings Limited (the “**Company**”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on 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.*

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Corporate Information

BOARD OF DIRECTORS

Executive Directors

Mr. Hu Wu'an (Chairman)
Mr. Ang Lay Keong (Hong Liqiang)
(Chief Executive Officer)
Ms. Lim Li Ling (Lin Liling)
(resigned on 19 January 2024)
Ms. Nie Li
Ms. Lin Xiaojuan
Mr. Zhang Wenyan
(resigned on 27 June 2024)
Mr. Chang Li-Chung (re-designated from
an independent non-executive Director to
an executive Director on 16 April 2024)

Independent Non-Executive Directors

Mr. Chu Kin Ming
Ms. Yi Jing
Ms. Dai Xiaoyan
(appointed on 16 April 2024)

AUDIT COMMITTEE

Mr. Chu Kin Ming (Chairman)
Mr. Chang Li-Chung
(ceased to be a member of audit
committee on 16 April 2024)
Ms. Yi Jing
Ms. Dai Xiaoyan
(appointed on 16 April 2024)

REMUNERATION COMMITTEE

Ms. Yi Jing (Chairlady)
Mr. Chu Kin Ming
Mr. Chang Li-Chung
(ceased to be a member of remuneration
committee on 16 April 2024)
Ms. Dai Xiaoyan
(appointed on 16 April 2024)

NOMINATION COMMITTEE

Mr. Chang Li-Chung (Chairman)
(ceased to be the chairman of nomination
committee on 16 April 2024)
Ms. Dai Xiaoyan (Chairlady)
(appointed on 16 April 2024)
Mr. Ang Lay Keong (Hong Liqiang)
Ms. Yi Jing

COMPANY SECRETARY

Ms. Xu Jiayuan, CPA

AUTHORISED REPRESENTATIVES

Ms. Nie Li
Ms. Xu Jiayuan, CPA

AUDITORS

HLB Hodgson Impey Cheng Limited
Certified Public Accountants
(Public Interest Entity Auditor registered
in accordance with the Financial
Reporting Council Ordinance)
31/F, Gloucester Tower
The Landmark, 11 Pedder Street, Central
Hong Kong

Corporate Information

PRINCIPAL BANKERS

DBS Bank Limited
12 Marina Boulevard
Marina Bay Financial Centre Tower 3
Singapore 018982

United Overseas Bank Limited
80 Raffles Place
UDB Plaza 1, #07-01
Singapore 048624

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

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

HEADQUARTERS AND PRINCIPAL PLACE OF BUSINESS IN SINGAPORE

Headquarters

159 Sin Ming Road
#04-05 Amtech Building
Singapore 575625

Principal place of business in Singapore

600 Sin Ming Avenue #03-00
Singapore 575733

REGISTERED OFFICE IN THE CAYMAN ISLANDS

Cricket Square
Hutchins Drive, P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Room 705, 7/F
9 Des Voeux Road West
Hong Kong

STOCK CODE

8418

COMPANY'S WEBSITE ADDRESS

www.ow.sg

Chairman's Statement

Dear Shareholders,

On behalf of the board of directors (the “**Board**”) of the Company, I am pleased to present the annual report of the Company and its subsidiaries (collectively, the “**Group**”) for the year ended 31 December 2024.

The shares of the Company (the “**Shares**”) were successfully listed (the “**Listing**”) on GEM of the Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) on 11 October 2019 by way of public offer and placing (collectively, the “**Share Offer**”). The Group is principally engaged in (i) the provision of a comprehensive range of after-market automotive services, with a focus on inspection, maintenance and repair services; (ii) offering short-term and long-term car rental services; (iii) supplying passenger car spare parts, accessories and automotive equipment to customers in Singapore and overseas countries and automobiles to customers in China; and (iv) sale of hardware and equipment, data collection and provision of management platform service relating to education business.

The high interest rate and tense political situation around the world during the year will undoubtedly continue to pose significant challenges to the business of the Group. To combat the negative impacts of the uncertain economic environment on the Group's businesses, it is the Group's intention to strengthen its existing businesses and explore opportunities to enhance the growth prospects of the Group and create value for the shareholders of the Company (the “**Shareholders**”). The Group has also been actively seeking any feasible business segment expansions, such as biological health, green energy technology, new retail, e-commerce, franchise management, etc. which is suitable for the Group's market diversifications into the PRC.

In 2021, the Group established a wholly-owned subsidiary Hunan Optima Automobile Co., Ltd. in Changsha, Hunan, the PRC to broaden the trading of the Group's parallel imported vehicles and related businesses in Mainland China. The subsidiary is mainly responsible for the business in central and southern China and it mainly builds a supply chain focusing on imported vehicles, domestic new energy vehicles, car spare parts and supporting services and provides customers with a “one-stop” high-quality services of parallel imported vehicles, safe, fast, price-competitive and flexible vehicle supporting financial insurance. The subsidiary will continue to seek opportunities to expand its business to other parts of China and to overseas.

Revenue for the Group was SGD87.8 million for the financial year ended 31 December 2024 (“**YE2024**”), as compared to SGD105.3 million for the financial year ended 31 December 2023 (“**YE2023**”), a decrease of approximately SGD17.5 million. The decrease was mainly attributable to the decrease in revenue contributed by the automobile trading operations in Mainland China of approximately SGD17.0 million during YE2024 as compared to YE2023.

On behalf of the Board, I would like to extend our sincere appreciation to the support and trust of our shareholders, business partners and customers. I would also extend my gratitude and appreciation to all the Directors, management and staff for their hard work and dedication throughout the year. I believe all members of the Group will dedicate their best efforts to drive business growth and to deliver enhanced returns to Shareholders.

Hu Wu'an
Chairman

Hong Kong, 26 March 2025

** For identification purpose only*

Management Discussion and Analysis

BUSINESS REVIEW

The Group is a one-stop after-market automotive service provider in Singapore offering comprehensive and integrated automotive related solutions to customers. The Group is principally engaged in (i) the provision of a comprehensive range of after-market automotive services, with a focus on inspection, maintenance and repair services; (ii) offering short-term and long-term car rental services; and (iii) supplying passenger car spare parts, accessories and automotive equipment to customers in Singapore and overseas countries and automobiles to customers in China. The Group operates two service centres and one paint workshop in Singapore. Our service centres are equipped with cutting-edge diagnostic equipment and facilities for the provision of comprehensive after-market automotive services except for spray painting services which shall be handled by our paint workshop.

The Group's parallel imported vehicles and related businesses in Mainland China, by its wholly-owned subsidiary Hunan Optima Automobile Co., Ltd.* (湖南傲迪瑪汽車有限公司), mainly operates in central and southern China, with Mr. Hu Wu'an, the executive Director, as its general manager. It mainly builds a supply chain focusing on imported vehicles, car spare parts and supporting services, and provides customers with a "one-stop" high-quality services of parallel imported vehicles, as well as safe, fast, price-competitive and flexible vehicle supporting financial insurance.

The Group's automotive supply income decreased by approximately SGD17.7 million for the year ended 31 December 2024 ("YE2024") to approximately SGD69.7 million as compared to approximately SGD87.4 million for the year ended 31 December 2023 ("YE2023"). The decrease was mainly due to the decrease in sales of automobiles to customers in Mainland China for YE2024 as compared to YE2023 by approximately SGD17.0 million. The Group's after-market automotive services revenue has increased by approximately SGD1.2 million as compared to YE2023 due to the gradual recovery of the Singapore market in general and the car rental business revenue has decreased by approximately SGD0.8 million as compared to YE2023 due to the disposal of motor vehicle for rental.

OUTLOOK

The Group maintains operational vigilance amid fast-evolving market dynamics and a volatile macroeconomic climate, with full cognizance of the challenges confronting its 2025. Implementing a disciplined growth strategy, the Group will continue to focus on fortifying its position in Singapore's automotive aftermarket services, and short- and long-term leasing businesses, while increasing its market share in the sales of automobiles, parts and components, and related products in the Mainland China market. The Group shall also seek any feasible equity investments or business segment expansions, such as biological health, green environmental protection water energy technology, new retail, e-commerce, franchise management, insurance brokerage, prepared vegetables processing, and new energy business. In parallel with accelerated technological evolution, the Group is conducting feasibility studies on low-altitude airspace utilization and smart city related business development. These analytical efforts aim to architect a diversified market penetration strategy in China to cater for the diversification of the Group's market entry in the PRC.

In 2021, the Singapore government announced the Singapore Green Plan 2030 under which there are various initiatives related to the transportation and automotive industries.

This includes the promotion of switching to cleaner-energy vehicles, especially Electric Vehicles ("EVs") as this is regarded as one of the most promising clean-energy vehicle technology up to date. To prepare the Group for the new market developments and challenges that come with the new breed of vehicles, the Group will continue to acquire new technology and equipment and upgrade the skills of our vehicle specialists.

Management Discussion and Analysis

FINANCIAL REVIEW – CONTINUING OPERATIONS

Revenue

Revenue for the Group was SGD87.8 million for YE2024, as compared to SGD105.1 million for YE2023, a decrease of approximately SGD17.3 million. The decrease was mainly attributable to the decrease in sales of passenger car spare parts, accessories and automobiles of approximately SGD17.7 million during YE2024 as compared to YE2023. The decrease was due to the economic downturn in Mainland China and the lower purchase power for the automobiles.

Other income and gains

Other income and gains for the Group was increased by approximately SGD0.6 million as compared to YE2023. This was due to gain on disposal of property, plant and equipment incurred in YE2024.

Cost of materials used and change in trading inventories

In YE2024, the cost of materials used and change in trading inventories decreased by approximately SGD16.8 million as compared to YE2023. This was due to the decrease in related sales of passenger car spare parts, accessories and automobiles, and after-market automotive service.

Employee benefits expenses

The employee benefit expenses increased by approximately SGD0.5 million from approximately SGD6.3 million in YE2023 to approximately SGD6.8 million in YE2024. This was mainly due to an increase in number of staff in YE2024.

Depreciation of property, plant and equipment and right-of-use assets

The decrease in the depreciation of property, plant and equipment and right-of-use assets by approximately SGD0.7 million was due to the relocation of new workshop and headquarters with lower rental prices.

Other expenses

The other expenses remained relatively stable at approximately SGD2.7 million in YE2024 as compared with SGD2.9 million in YE2023.

Income tax expense

The Group provided for income tax expense of approximately SGD181,000 due to the assessable profits arising from the operating subsidiaries in the PRC and the Singapore for the YE2024.

The income tax expense provided from subsidiaries incorporated in Singapore and PRC that are subjected to a tax rate of 17% and 25% respectively on the profits arising.

Loss and total comprehensive income for the year

The Group recorded a loss and total comprehensive income for YE2024 of approximately SGD1.5 million and SGD0.06 million compared to a loss and total comprehensive expense for YE2023 of approximately SGD1.3 million and SGD1.8 million. The increase in loss for the year was mainly due to the decrease in depreciation of right-of-use assets net off with loss on disposal of an associate.

Management Discussion and Analysis

LIQUIDITY, FINANCIAL RESOURCES AND GEARING RATIO

As at 31 December 2024, the cash and cash equivalents were approximately SGD5.4 million (2023: SGD4.9 million). The working capital (current assets less current liabilities) and total equity of the Group were approximately SGD3.8 million and SGD6.2 million, respectively.

As at 31 December 2024, the Group's bank and other borrowings with maturity within one year amounted to approximately SGD1.3 million (2023: SGD1.5 million).

The gearing ratio of the Group, which was defined as total debt divided by total equity, was 1.1 as at 31 December 2024 (2023: 1.8). Total debt includes all bank and other borrowings, short-term loan and lease liabilities. The net debt to equity of the Group, which was defined as total debt net of cash and cash equivalents divided by total equity, were 0.2 as at 31 December 2024 (2023: 1.0).

CAPITAL STRUCTURE

There has been no change in the capital structure of the Group during the year up to the date of this annual report. The capital structure of the Group only comprises ordinary Shares.

TREASURY POLICY

The Group has adopted a prudent financial management approach towards its treasury policies and thus has maintained a healthy liquidity position throughout the year ended 31 December 2024. The Group strives to reduce exposure to credit risk by performing ongoing credit assessments and evaluations of the financial status of its customers. To manage liquidity risk, the Board closely monitors the Group's liquidity position to ensure that the liquidity structure of the Group's assets, liabilities and other commitments can meet its funding requirements from time to time.

PRINCIPAL RISKS AND UNCERTAINTIES

The Group's operations are subject to certain risks and the major ones that may have a material and adverse effect on the Group's business, financial conditions and results of operations are as follows. In addition, the Group's activities are exposed to a variety of financial risks including, currency risk, credit risk, liquidity risk and interest rate risk.

Management Discussion and Analysis

Principal Risks Identified	Description of the Principal Risks Identified	Mitigation of Risks	
1	<p>Transition risk due to Singapore Government's push to phase out Internal Combustion Engine ("ICE") vehicles by 2030 and have all vehicles powered by cleaner energy by 2040.</p>	<p>In light of the Singapore's government vision to phase out ICE vehicles and have all vehicles powered by cleaner energy by 2040, there is a growing shift towards EVs within the local automotive industry. As a result, the Group might face the following challenges if it does not adapt expeditiously: 1) Decrease in workshop revenue due to reducing number of servicing and repairs, as EVs have lesser moving parts and may only require a servicing once every year or two; 2) The insufficient number of qualified mechanics to repair EVs; and 3) Difficulty in acquiring new EV technology for diagnostic.</p>	<p>The Group is looking to mitigate the foreseeable challenges through the following:</p> <ol style="list-style-type: none">1) Expanding other local revenue streams like car rental, while diversifying to other industries abroad;2) Acquiring EVs, installation of EV Chargers and seeking for appointment as Tesla's approved Bodyshop to increase EV handling, training and exposure for staff; and3) Sourcing for potential partnerships and business opportunities that may arise due to the impending EV revolution.
2	<p>The Group's revenue and profits are mainly derived from Singapore and China, and the Group's sales performance is susceptible to changes in both country's policies, and its financial, social and economic environment.</p>	<p>The Group's sales performance is susceptible to any changes or developments in the economic, financial, or social conditions of both Singapore and China that are outside the Group's control, which includes but are not limited to:</p> <ol style="list-style-type: none">(1) Singapore government regulation to limit and tighten the Certificate of Entitlement ("COE") quota by only replacing the number of de-registered vehicles on the road at most. Hence, with a reduced number of vehicles on the road, the demand for the Group's after-market automotive services may be materially and adversely affected; and(2) supply of experienced and skilled staff, such as service advisors and technicians, mainly of which are not Singapore citizens. Hence, if there are any unfavourable changes towards Singapore's manpower policies, the supply or labour cost of such foreign workers may be affected, thus affecting the Group's business operations and profitability.	<p>The Group will stay abreast of latest country news and policy changes to respond quickly while diversifying and strengthening our various revenue streams. For example:</p> <ol style="list-style-type: none">1) Sending our technicians for upskilling EV courses to ensure that we can stay ahead of the competition to be able to repair and service EVs.2) Due to the limitation of COEs, and with rising car prices, consumers are looking to rent vehicles instead. Thus, the Group has increased its rental fleet as a result.3) Diversifying revenue across geography and industry.

Management Discussion and Analysis

Principal Risks Identified	Description of the Principal Risks Identified	Mitigation of Risks
3 The properties of the Group are rented and not owned by the Group.	Most of the properties occupied for the Group's operations in China and Singapore are rental properties. As such, the Group is subject to rental rates fluctuation from time to time. If there is any significant increase in rental and utility expenses for the Group's rental properties, or are forced to vacate upon the expiry of an existing tenancy, it will increase our operating expenses and may materially and adversely affect the Group's business operations, financial position and/or prospects.	To minimise unforeseen fluctuations in rental expenses, the Group has entered into long-term contracts with the landlords to fix rental rates for a foreseeable period. The Group also sources for other affordable rental places from time to time and may relocate if substantial rental cost savings can be achieved without much disruption to the Group's business.

EXPOSURE TO CURRENCY RISK

The Group's income and expenditure during the year ended 31 December 2024 were principally denominated in Singapore dollar and Chinese Yuan, and most of the assets and liabilities as at 31 December 2024 were denominated in Singapore dollar. The Group did not experience any material impact or difficulties in liquidity on its operations resulting from the fluctuation in exchange rate, and no hedging transaction or forward contract arrangement was made by the Group during the year ended 31 December 2024.

EXPOSURE TO CREDIT RISK

The Group's credit risk is primarily attributable to its trade and other receivables and bank balances as set out in Note 21 and Note 22 respectively to the consolidated financial statements.

The Group has a credit policy in place and the exposure to these credit risks is monitored on an ongoing basis. To minimise the credit risk, the Group has delegated teams responsible for determination of credit limits, credit approvals and monitoring procedures on credit quality of trade receivables and credit history of debtors. The Group may grant credit terms to its customers subject to assessment of their background and payment history.

In addition, before accepting any customer requests for credit terms, the Group's operation team will assess the potential customers' credit quality and define credit limits for them. Credit limits attributable to customers and credit terms granted to customers are reviewed regularly by the Group's chief operating officer on an ongoing basis. The Group's operation team will evaluate customers' validity through ACRA Portal for customer's company details, including length of incorporation, activity status and bankruptcy record, paid-up share capital amount and annual filing records. The credit period granted to the Group's customers was between 30 days and 90 days during the year ended 31 December 2024. The Group maintains strict control over our outstanding receivables to minimise credit risk. The Group typically does not require any collateral as security.

Management Discussion and Analysis

EXPOSURE TO LIQUIDITY RISK

The Group's policy is to regularly monitor its liquidity requirements to ensure that it maintains sufficient reserves of cash and adequate committed lines of funding from major financial institutions to meet its liquidity requirements in the short and longer term.

The maturity analysis based on contractual undiscounted cash flows of the Group's non-derivative financial liabilities is set out in Note 35 to the consolidated financial statements.

EXPOSURE TO INTEREST RATE RISK

The Group's exposure to interest rate risk arises from bank and other borrowings, lease liabilities and amounts due to related companies. These deposits and the borrowings bear interests at variable rates varied with the then prevailing market condition. Except as stated above, the Group has no other interest bearing assets and liabilities as at 31 December 2024, its income and operating cash flows are substantially independent of changes in variable interest rates.

SHARE CAPITAL

As at 31 December 2024, the Company's issued share capital was HK\$8,500,000 and the number of its issued ordinary Shares was 850,000,000.

CAPITAL COMMITMENTS

As at 31 December 2024, the Group did not have capital commitments contracted but not provided for (2023: Nil).

SEGMENT INFORMATION

An analysis of the Group's revenue from operations and by geographical locations of customers is set out in Note 6 of the consolidated financial statements.

FUTURE PLANS FOR MATERIAL INVESTMENT OR CAPITAL ASSETS

Save as disclosed in section headed "Outlook" above, the Group does not have other plans for material investments and capital assets.

SIGNIFICANT INVESTMENTS, MATERIAL ACQUISITION AND DISPOSAL OF SUBSIDIARIES AND AFFILIATED COMPANIES

Save as disclosed in this report, the Group did not have any other significant investment, material acquisitions or disposals of subsidiaries, associates, joint ventures and affiliated companies during the year ended 31 December 2024.

CONTINGENT LIABILITIES

As 31 December 2024, the Group did not have any significant contingent liabilities or outstanding guarantees in respect of payment obligations to any third parties (2023: Nil).

Management Discussion and Analysis

CHARGE ON GROUP'S ASSETS

As at 31 December 2024, the Group's bank and other borrowings and lease liabilities of motor vehicles were secured by a corporate guarantee from the Company, or a corporate guarantee from an indirect wholly-owned subsidiary of the company and the underlying assets.

HUMAN RESOURCES

As at 31 December 2024, the Group had 120 employees (2023: 105 employees) with total staff cost of approximately SGD6.8 million incurred for the year ended 31 December 2024 (2023: SGD6.5 million). As required by the applicable laws and regulations, the Group participates in the Central Provident Fund prescribed by the Central Provident Fund Act (Chapter 36 of the laws of Singapore) and have made the relevant contributions in accordance with the aforesaid laws and regulations. Save as the aforesaid, we have not participated in any other pension scheme(s). The Group's remuneration policy rewards employees and Directors based on individual performance, demonstrated capabilities, involvement, market comparable information and the performance of the Group. The Group improves the professional skills and management level of its employees through internal and external training. To ensure that the Group attracts and retains competent staff, remuneration packages are reviewed on a regular basis. Performance bonuses are offered to qualified employees based on individual and the Group's performance. We did not experience any material labour disputes during the year ended 31 December 2024.

FINAL DIVIDEND

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

Biographical Details of Directors and Senior Management

EXECUTIVE DIRECTORS

Mr. Hu Wu'an ("Mr. Hu"), aged 51, was appointed as an executive Director on 6 January 2021 and was appointed as the chairman of the Board on 15 August 2021. Mr. Hu is currently an executive director and the general manager of Hunan Shangui Fuyuan Modern Agriculture Development Co., Ltd.* (湖南杉桂福苑現代農業發展有限公司) since September 2017, a limited liability company established in China and an executive director and the general manager of Hunan Optima Automobile Co., Ltd* (湖南傲迪瑪汽車有限公司) since February 2021, a limited liability company established in China.

Mr. Ang Lay Keong (Hong Liqiang) ("Mr. Ang"), aged 53, was appointed as the chairman and an executive Director and chief executive officer on 14 March 2018. With effect from 15 August 2021, Mr. Ang has resigned as the chairman of the Board and continues to be an executive Director and chief executive officer. He is primarily responsible for the overall business development and strategic planning of our Group and overseeing the performance and management of our Group. Mr. Ang is also one of our controlling shareholders and a member of the nomination committee of the Company (the **"Nomination Committee"**). He has about 29 years of experience in the automobile industry. Mr. Ang worked in Lim Tan Motor Pte. Ltd., a company whose principal business was automotive workshop, from July 1994 to June 2012 with the last position as a director and was responsible for managing the day-to-day operation of the car repair business. Mr. Ang founded Optima Werkz Pte. Ltd. (**"Optima Werkz"**) in May 2012 and has been a director and the chief executive officer of Optima Werkz since 18 May 2012 and 21 June 2012 respectively. Mr. Ang has also been appointed as a director of Optima De Auto Pte. Ltd. (**"Optima De Auto"**) and Optima Carz Pte. Ltd. (**"Optima Carz"**) since 22 August 2013 and 24 October 2014 respectively. Mr. Ang was a director of Optima Werkz Myanmar Holdings Pte. Ltd. from July 2017 to December 2017.

Mr. Ang completed a one year full-time pre-vocational training course in the Vocational and Industrial Training Board in Singapore and was awarded a certificate in November 1986. He obtained a national trade certificate grade three in maintenance fitting (practical and theory parts) from the Vocational and Industrial Training Board in Singapore in March 1989.

Ms. Nie Li ("Ms. Nie"), aged 40, was appointed as an executive Director on 18 May 2020. Ms. Nie is the executive director of Hu Mao Sheng Tang Holdings Limited, a company incorporated in Hong Kong with limited liability, since March 2017. Ms. Nie graduated from Hunan Vocational College of Engineering* (湖南工程職業技術學院) in June 2005 majoring in tourism and hotel management, she has 19 years of experience in business management. Ms. Nie obtained a degree in bachelor of management majoring in business administration from Dongbei University of Finance & Economics in July 2024.

Biographical Details of Directors and Senior Management

Ms. Lin Xiaojuan (“Ms. Lin”), aged 59, was appointed as an executive Director on 24 August 2020. Ms. Lin has served as a director of the board of directors, a member of the audit committee, and the chairperson of the compensation committee and the nominating and corporate governance committee of Senmiao Technology Limited (stock code: AIHS), a company listed on The NASDAQ Capital Market, since March 2018 till present. Since March 2011 till present, Ms. Lin has acted as the general manager and legal representative of Hunan Dingchentai Investment Co., Ltd.* (湖南鼎晨泰投資有限公司). From April 2004 to February 2011, she served as the deputy general manager and chief financial officer of Hunan Xinhongxin Industrial Co., Ltd.* (湖南新泓信實業有限公司), and the accounting officer and cost officer of Hunan Employment Training Service Co., Ltd.* (湖南就業培訓服務有限公司) from November 1986 to July 2000.

Ms. Lin graduated from the Department of Statistics of Hunan Finance and Economics Institute* (湖南財經學院) in October 1990, and completed the Chief Financial Officer Training Course of the School of Continuing Education of Peking University in October 2015. She obtained the qualification of gold trader issued by the Shanghai Gold Exchange in December 2008, the qualification of China Certified Tax Planner in November 2011, and subsequently the qualification of International Certified Senior Public Accountant issued by the Headquarters (China) American Certification Institute in January 2012.

Mr. Chang Li-Chung (“Mr. Chang”), aged 63, was appointed as an independent non-executive Director on 25 February 2021, and re-designated from an independent non-executive Director to an executive Director on 16 April 2024. Mr. Chang is currently the general manager of Yigoulian Trading (Shenzhen) Co., Ltd.* (易購鏈商貿(深圳)有限公司), a limited liability company established in China, since April 2020. He is also currently acting as the executive director of Changzhou Jintan Apollo Biological Products Co., Ltd.* (常州金壇阿波羅生物製品有限公司), a limited liability company established in China, since August 2003. Mr. Chang worked as general manager at HONGKONG BO EN INVESTMENT MANAGEMENT CO., LIMITED, a company incorporated in Hong Kong with limited liability, from November 2015 to December 2019. Mr. Chang graduated from the Republic of China Air Force Institute of Technology* (中華民國空軍航空技術學院) in 1978.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Chu Kin Ming (“Mr. Chu”), aged 44, was appointed as an independent non-executive Director on 18 September 2019. He is the chairman of the audit committee of the Company (the “**Audit Committee**”) and a member of the remuneration committee of the Company (the “**Remuneration Committee**”).

Mr. Chu has more than 20 years working experience in the accounting and company secretarial field. Mr. Chu served as chief financial officer and company secretary of companies listed on the Stock Exchange. Mr. Chu is currently an independent non-executive director in Kelfred Holdings Limited, a company listed on the Stock Exchange (stock code: 1134) since June 2019, an independent non-executive director in Century Energy International Holdings Limited (formerly known as China Oil Gangran Energy Group Holdings Limited), a company listed on GEM of the Stock Exchange (stock code: 8132) since February 2020 to September 2024, an independent non-executive director in Dimmi Life Holdings Limited (formerly known as Milestone Builder Holdings Limited), a company listed on the Stock Exchange (stock code: 1667) from December 2020, and an independent non-executive director in Ficus Technology Holdings Limited (formerly known as Vision International Holdings Limited), a company listed on GEM of the Stock Exchange (stock code: 8107) from September 2023 to July 2024. Currently, Mr. Chu is the company secretary of Sino-Life Group Limited, a company listed on GEM of the Stock Exchange (stock code: 8296) since June 2019 and the company secretary of Future World Holdings Limited (stock code: 572) since April 2024.

Biographical Details of Directors and Senior Management

Mr. Chu is a fellow member of The Association of Chartered Certified Accountants. He is also a member of The Hong Kong Institute of Certified Public Accountants, The Hong Kong Chartered Governance Institute (formerly known as The Hong Kong Institute of Chartered Secretaries) and The Chartered Governance Institute (previously known as the Institute of Chartered Secretaries and Administrators). He is also a member of the Chartered Institute of Management Accountants.

Mr. Chu obtained a degree in bachelor of arts in accountancy from the Hong Kong Polytechnic University in 2003 and a degree in executive master of business administration from The Chinese University of Hong Kong in 2022.

Ms. Yi Jing (“Ms. Yi”), aged 37, was appointed as an independent non-executive Director on 30 June 2022. She is a member of the Audit Committee, the chairlady of the Remuneration Committee and a member of the Nomination Committee. Ms. Yi currently practices as a lawyer in Hunan Xingbang Law Firm in the People’s Republic of China (the “PRC”) since January 2021. She worked as an assistant to lawyer in the same firm during the period from December 2017 to March 2019 and started to work as an associate in the same firm during the period from March 2019 to January 2021. Ms. Yi was previously the leader of a legal team in Hunan Jinzhou Law Firm* (湖南金州律師事務所) in the PRC during the period from November 2015 to December 2017. She worked as an assistant to the president and general secretary at Hunan Provincial Hunan Cuisine Industry Promotion Association* (湖南省湘菜產業促進會) from March 2012 to November 2015.

Since May 2019, Ms. Yi has acted as an independent director of Bit Brother Limited (formerly known as Urban Tea, Inc.), a NASDAQ-listed company (NASDAQ: BTB). She also serves as the deputy general secretary (part-time) in Hunan Provincial Hunan Cuisine Industry Promotion Association since April 2018 and the deputy director in Youth Returnees’ Association of the Hunan Committee of The Zhi Gong Party of China* (致公黨湖南省委青年海歸聯誼會) since September 2017.

Ms. Yi passed the National Unified Legal Professional Qualification Examination in March 2019 and is qualified as a practising lawyer in the PRC in January 2021. She obtained a bachelor’s degree in jurisprudence from the Chengsha University of Science and Technology in the PRC in June 2010 and a Master of Laws in international commercial law from the University of Kent in the United Kingdom in July 2012.

Ms. Dai Xiaoyan (戴曉彥), aged 47, was appointed as an independent non-executive Director on 16 April 2024. She is the chairlady of Nomination Committee and a member of each of the Audit Committee and the Remuneration Committee. Ms. Dai has over 16 years of experience in sales and corporate management. Since November 2019, she has been the general manager of Guangzhou Qichonghai E-commerce Co., Ltd.* (廣州七重海電子商務有限公司), a company which principally engages in teahouse operation and promotion of oriental tea culture. From March 2013 to July 2019, Ms. Dai worked as the general manager of Hunan Sanjiupu Tea Co., Ltd.* (湖南三十九鋪茶業有限公司), a high-end tea company integrating product research and development, sales and promotion, which was a subsidiary of Urban Tea, Inc (currently known as Bit Brother Limited), a NASDAQ-listed company. From March 2010 to January 2012, Ms. Dai worked as assistant to the chairman of the board of Resgreen Bioengineering Group Co., Ltd.* (綠之韻生物工程集團有限公司), a company which primarily design, manufacture and market of healthy food, skin care products and daily necessities. From May 2005 to March 2010, Ms. Dai was the chief operating office of Guangzhou Xiancun International Golf Course* (廣州仙村國際高爾夫球場), responsible for supervision of the departments of marketing, sales, catering and golf operations.

Ms. Dai studied Commerce in Yueyang Higher Vocational School* (岳陽師範高等專科學校) (currently known as Hunan Institute of Science and Technology (湖南理工學院)) from September 1995 to July 1997 and Business English in South China Normal University (華南師範大學) from September 1999 to August 2001.

Biographical Details of Directors and Senior Management

SENIOR MANAGEMENT

Mr. Ng Ki Man (“Mr. Ng”), aged 39, is the chief financial officer and joined our Group in December 2023. He is primarily responsible for overseeing the financial management and reporting of our Group. Mr. Ng has over 10 years of experience in auditing and accounting.

Mr. Ng obtained a Bachelor of Business Administration (Honours) degree in Information Systems from the City University of Hong Kong in November 2008 and a Postgraduate Certificate in Professional Accounting in July 2009. Mr. Ng was qualified as a member of the Hong Kong Institute of Certified Public Accountants and an associate member of The Institute of Chartered Accountants in England and Wales in January 2012 and March 2012, respectively.

COMPANY SECRETARY

Ms. Xu Jiayuan (“Ms. Xu”), aged 34, was appointed as a company secretary of our Company on 30 September 2021. Ms. Xu has over 9 years of experience in the corporate governance field, including internal audit, risk management and corporate services to Hong Kong companies listed on the Stock Exchange as well as private and multinational companies. Ms. Xu is the company secretary of Ta Yang Group Holdings Limited, a company listed on the Stock Exchange (stock code: 1991) since January 2023, and the company secretary of New Sparkle Roll International Group Limited, a company listed on the Stock Exchange (stock code: 970) since August 2024.

Ms. Xu obtained a degree of bachelor of management majoring in business administration (management accounting) at the Capital University of Economics and Business in June 2013. She further obtained a degree of master of science majoring in accountancy from the Hong Kong Polytechnic University in October 2014. Ms. Xu is a member of the Hong Kong Institute of Certified Public Accountants and a Certified Internal Auditor conferred by the Institute of Internal Auditors.

Corporate Governance Report

The Board hereby presents this Corporate Governance Report in the Company's annual report for the year ended 31 December 2024.

CORPORATE GOVERNANCE PRACTICES

The Company considers the maintenance of a high standard of corporate governance important to the continuous growth of the Group. The Board sets appropriate policies and implements corporate governance practices appropriate to the conduct and growth of the Group's business.

The Board is responsible for performing the corporate governance functions such as developing and reviewing the Company's policies, practices on corporate governance, training and continuous professional development of the directors and senior management, the Company's policies and practices on compliance with legal and regulatory requirements, etc.

The Directors will review the Group's corporate governance policies and compliance with the Corporate Governance Code (the "**CG Code**") each financial year and comply with the "**comply or explain**" principle in the corporate governance report which will be included in the annual reports after the Listing.

In the opinion of the Board, the Company complied with the provisions of the CG Code as set out in Appendix C1 to the GEM Listing Rules during the year ended 31 December 2024 up to the date of this annual report except for the code provision D.2.5 of the CG Code in respect of having an internal audit function.

Under code provision D.2.5 of the CG Code, the Group should have an internal audit function. The Group has conducted an annual review during the year ended 31 December 2024 on the need for setting up an internal audit department. Given the Group's simple operating structure, instead of setting up an internal audit department, the annual review on the risk management and internal control systems of the Group has been conducted by a professional third party and reported to the members of the Audit Committee. The review covered analysis and independent appraisal of the adequacy and effectiveness of the Company's risk management and internal control systems, encompassing the adequacy of resources, staff qualifications and experience, training programmes and budget of the Company's accounting, internal audit and financial reporting function as well as those related to the Company's Environmental, Social and Governance ("**ESG**") performance and reporting. The Board is of the view that appropriate measures have been put in place to manage the risks and no major issue was raised for improvement during the review.

Corporate Governance Report

BOARD OF DIRECTORS

Responsibilities and Delegation

The Board is entrusted with the overall responsibility for promoting the success of the Company by providing effective leadership and direction to its business, and ensuring transparency and accountability of its operations. The Board reserves its decisions for all major matters of the Company, including the approval and monitoring of all policy matters, overall strategies and budgets, internal control systems, risk management systems, material transactions (in particular those that may involve conflict of interests), financial information, change of Directors, ad hoc projects and other significant financial and operational matters. The Board has the full support of the management to discharge its responsibilities.

The day to day management, administration and operation of the Company are delegated to the executive Directors and the senior management. The delegated functions and work tasks are periodically reviewed. Approval has to be obtained from the Board prior to any significant transactions entered into by the abovementioned officers. All Directors have full and timely access to all relevant information of the Company, with a view to ensure that Board procedures and all applicable rules and regulations in the Cayman Islands and Hong Kong are followed. Each Director is normally able to seek independent advice in appropriate circumstances at the Company's expense, upon making request to the Board.

In addition, the Board has also delegated various responsibilities to the board committees of the Company. Further details of the board committees of the Company are set out below in this annual report.

The Board is also responsible for, among others, performing the corporate governance duties as set out in the code provision A.2.1 of the CG Code, which include:

- to develop and review the Group's policies and practices on corporate governance and make recommendations;
- to review and monitor the training and continuous professional development of the Directors and senior management;
- to review and monitor the Group's policies and practices on compliance with legal and regulatory requirements;
- to develop, review and monitor the code of conduct and compliance manual (if any) applicable to the Directors and employees; and
- to review the Group's compliance with the CG Code and disclosure in the corporate governance report.

The Company has arranged appropriate liability insurance coverage for all the Directors, including company securities, employment practices, regulatory crisis event, investigation, litigation, tax liabilities and public relation, etc., which is to be reviewed by the Board on a regular basis.

Corporate Governance Report

The Board has delegated day-to-day operation responsibility to the management of the Company under the supervision of the executive Directors and various Board committees. The delegated functions and responsibilities are periodically reviewed by the Board. Approval has to be obtained from the Board prior to any significant transactions entering into by the foregoing officers and senior management.

Board Composition

The Board comprised the following Directors during the year ended 31 December 2024 and up to the date of this annual report:

Executive Directors

Mr. Hu Wu'an (Chairman)

Mr. Ang Lay Keong (Hong Liqiang) (Chief Executive Officer)

Ms. Lim Li Ling (Lin Liling) (resigned on 19 January 2024)

Ms. Nie Li

Ms. Lin Xiaojuan

Mr. Zhang Wen Yuan (resigned on 27 June 2024)

Mr. Chang Li-Chung (re-designated from an independent non-executive Director to an executive Director on 16 April 2024)

Independent Non-Executive Directors

Mr. Chu Kin Ming

Ms. Yi Jing

Ms. Dai Xiaoyan (appointed on 16 April 2024)

The Nomination Committee ensures the composition of the Board constitutes a balance of gender, age, cultural and educational background, professional experience, skills, knowledge, experience and diversity of perspective appropriate to the requirements of the business and development of the Company. The current Board composition of five executive Directors and three independent non-executive Directors can effectively exercise independent judgment. The list of all Directors (by category) is set out under the section headed "Corporate Information" in this annual report and is also disclosed in all corporate communications issued by the Company pursuant to the GEM Listing Rules from time to time. The independent non-executive Directors are expressly identified in all corporate communications of the Company.

Ms. Dai Xiaoyan, who was appointed as an independent non-executive Director on 16 April 2024, obtained the legal advice referred to in Rule 5.02D on 16 April 2024, and confirmed that she understood her obligations as a director of a listed company.

In order to ensure that independent views and input of the independent non-executive directors are made available to the Board, the Nomination Committee and the Board are committed to assess the directors' independence annually with regards to all relevant factors related to the independent non-executive Directors including the following:

- (a) required character, integrity, expertise, experience and stability to fulfill their roles;
- (b) time commitment and attention to the Company's affairs;

Corporate Governance Report

- (c) firm commitment to their independent roles and to the Board;
- (d) declaration of conflict of interest in their roles as independent non-executive directors;
- (e) no involvement in the daily management of the Company nor in any relationship or circumstances which would affect;
- (f) the exercise of their independent judgement; and
- (g) the Chairman meets with the independent non-executive Directors regularly without the presence of the executive Directors.

During the year ended 31 December 2024, the Board has at all times met the requirements of the GEM Listing Rules relating to the appointment of at least three independent non-executive Directors with at least one of them possessing appropriate professional qualifications and accounting and related financial management expertise as required under the GEM Listing Rules.

The participation of independent non-executive Directors in the Board brings a diverse range of expertise, skills and independent judgment on issues relating to the Group's strategies, performance, conflicts of interests and management process to ensure that the interests of all Shareholders have been duly considered. No equity-based remuneration with performance-related elements will be granted to Independent Non-executive Directors to avoid bias in their decision-making and compromise their objective and independence. Each of the independent non-executive Directors has confirmed in writing his/her independence to the Company pursuant to Rule 5.09 of the GEM Listing Rules.

There is a balance of gender, age, cultural and educational background, professional experience, knowledge, skills and experience for the Board, which is appropriate for the requirements of the business of the Company. The Directors' biographical information is set out in the section headed "Biographical Details of Directors and Senior Management" of this annual report.

Ms. Lim Li Ling (Lin Liling), a former executive Director (resigned on 19 January 2024), is the spouse of Mr. Ang Lay Keong (Hong Liqiang). Save for this, the Board members has no financial, business, family or other material/relevant relationships with each other.

The list of current Directors (by category) is also disclosed in this annual report and all corporate communications issued by the Company pursuant to the GEM Listing Rules from time to time. The Company also maintains on its website (www.ow.sg) and on the website of the Stock Exchange (www.hkexnews.hk) an updated list of current Directors (by category) identifying their roles and functions.

The Company has received a written annual confirmation from each of the independent non-executive Directors of his/her independence pursuant to the requirements of the GEM Listing Rules. The Company considers all independent non-executive Directors to be independent in accordance with the independence guidelines set out in the GEM Listing Rules.

The Board has adopted the mechanisms to ensure independent views and input are available to the Board. The Board will review the implementation and effectiveness of such mechanisms on an annual basis. During the year ended 31 December 2024, the Board reviewed the above mechanisms and considered that the above mechanisms are effective in ensuring that independent views and input are provided to the Board.

Corporate Governance Report

Appointment and Re-election of Directors

Each of the executive Directors has entered into a service agreement with the Company for an initial term of three (3) years unless terminated by either party by giving at least three months' written notice to the other. Each of the independent non-executive Directors has respectively entered into a letter of appointment with the Company for an initial term of three (3) years unless terminated by either party by giving at least three months' written notice to the other.

According to article 84(1) of the articles of association of the Company (the "**Articles of Association**"), at each annual general meeting (the "**AGM**") of the Company, one-third of the Directors for the time being (or if their number is not a multiple of three, then the number nearest to but not less than one third) shall retire from office by rotation provided that every Director shall be subject to retirement at an AGM at least once every three years. The Directors to retire by rotation shall include any Director who wishes to retire and not offer himself/herself for re-election.

Any further Directors so to retire shall be those of the other Directors subject to retirement by rotation who have been longest in office since their last re-election or appointment and so that as between persons who became or were last re-elected Directors on the same day those to retire shall (unless they otherwise agree among themselves) be determined by lot. There are no provisions relating to retirement of Directors upon reaching any age limit.

According to article 83(3) of the Articles of Association, any person who is appointed by the Directors to fill a casual vacancy on the Board or as an addition to the existing Board shall hold office until the first AGM after his/her appointment and shall then be eligible for re-election.

Pursuant to the aforesaid provisions of the Articles of Association, Mr. Hu Wu'an, Mr. Ang Lay Keong (Hong Liqiang) and Ms. Yi Jing will retire from office as Directors at the forthcoming AGM of the Company and, being eligible, will offer themselves for re-election pursuant to article 84(1). The Company's circular containing detailed information of all retiring Directors pursuant to the GEM Listing Rules will be issued in due course.

The procedures and process of appointment, re-election and removal of Directors are laid down in the Articles of Association. The Company has established a Nomination Committee and its primary functions are to make recommendations to the Board regarding candidates to fill vacancies on the Board and policies/practices on corporate governance of the Group. Details of the Nomination Committee and its work performed are set out in the "Board Committees" section below.

Induction and Continuous Professional Development for Directors

Pursuant to code provision C.1.4 of the CG Code, all Directors should participate in continuous professional development to develop and refresh their knowledge and skills as to ensure that their contribution to the Board remains informed and relevant.

Each newly appointed Director receives comprehensive, formal and tailored induction on the first occasion of his/her appointment, so as to ensure that he/she has appropriate understanding of the Group structure, Board and Board Committees meetings procedures, business, management and operations of the Company, etc. and that he/she is fully aware of his/her responsibilities and obligations under the GEM Listing Rules and relevant regulatory requirements in the Cayman Islands and Hong Kong. During the year ended 31 December 2024, the newly appointed Director participated in the induction program regarding directors' responsibilities and obligations under the GEM Listing Rules conducted by the Company's legal adviser, which covered, among other topics, the CG Code, GEM Listing Rules and directors' continuing obligations.

Corporate Governance Report

All Directors are continually updated with legal and regulatory developments, and the business and market changes to facilitate the discharge of their responsibilities.

According to the records maintained by the Company, the Directors received the following training regarding roles, function and duties of a director of a listed company or professional skills in compliance with the new requirement of the CG Code on continuous professional development during the year ended 31 December 2024 up to the date of this annual report:

	Attending training seminars/ induction training/ Reading materials
Executive Directors	
Mr. Hu Wu'an (Chairman)	✓
Mr. Ang Lay Keong (Hong Liqiang) (Chief Executive Officer)	✓
Ms. Lim Li Ling (Lin Liling) (resigned on 19 January 2024)	✓
Ms. Nie Li	✓
Ms. Lin Xiaojuan	✓
Mr. Zhang Wenyuan (resigned on 27 June 2024)	✓
Mr. Chang Li-Chung (re-designated from an independent non-executive Director to an executive Director on 16 April 2024)	✓
Independent Non-Executive Directors	
Mr. Chu Kin Ming	✓
Ms. Yi Jing	✓
Ms. Dai Xiaoyan (appointed on 16 April 2024)	✓

Besides, the Company keeps circulating information and materials to develop and refresh Directors' knowledge and skills from time to time. All the information and materials are relevant to the Group's business, the economy, corporate governance, rules and regulations, accounting, financial or professional skills and/or directors' duties and responsibilities. There are also arrangements in place for providing continuing briefing and professional development to each Director. All Directors are encouraged to attend relevant training courses at the Company's expense. The Company Secretary is responsible for keeping records of training taken by each Director.

Board Practices and Conduct of Meetings

Pursuant to code provision C.5.1 of the CG Code, the Board should meet regularly and Board meetings should be held at least four times a year for reviewing and approving financial statements, operating performance, budgets, rules and regulations, announcements and circulars issued by the Company and considering and approving the progress of the various on-going projects, the overall strategies and policies of the Company. Additional meetings would be arranged if and when required. Annual meeting schedules of each meeting of the Board and for the Audit Committee, Nomination Committee and Remuneration Committee of the Company (the "**Board Committees**") are normally made available to Directors and members in advance. Board members are provided with all agenda and adequate information for their review at least 14 days before the meetings. The Board and Board Committees members are supplied with comprehensive meeting papers and relevant materials within a reasonable period of time in advance of the intended meeting date (in any event no less than 3 days before the date of the meeting). All Directors and the Board Committees members are given opportunities to include matters in the agenda for regular Board and Board Committees meetings and/or their meetings, if required. To facilitate the decision-making process, the Directors and the Board Committees members are free to have access to the management for enquiries and to obtain further information, when required.

Corporate Governance Report

After the meeting, draft minutes are circulated to all Directors and Board Committees members for comments. Minutes of Board meetings and meetings of Board Committees are kept by the Company Secretary and are available for inspection by the Directors at all times.

Directors may participate in meetings either in person or through electronic means of communications. Directors are free to contribute and share their views at meetings and major decisions will only be taken after deliberation at Board meetings. Directors who are considered to have conflict of interests or material interests in the proposed transactions or issues to be discussed will not be counted in the quorum of meeting and will abstain from voting on the relevant resolutions.

The Board annually reviews the implementation and effectiveness of the above mechanism to ensure availability of independent views and input to the Board.

Directors' Attendance Records

The Board meets regularly for reviewing and approving the financial and operating performance, and considering and approving the overall strategies and policies of the Company. Additional meetings are held when significant events or important issues are required to be discussed and resolved.

During the year ended 31 December 2024 up to the date of this annual report, the Board convened 4 full Board meetings. The attendance of each Director is as follows:

	Number of meetings attended/eligible to attend				
	AGM	Board	Audit Committee	Nomination Committee	Remuneration Committee
Executive Directors					
Mr. Hu Wu'an (Chairman)	1/1	4/4	N/A	N/A	N/A
Mr. Ang Lay Keong (Hong Liqiang) (Chief Executive Officer)	1/1	2/4	N/A	1/2	N/A
Ms. Lim Li Ling (Lin Liling) (resigned on 19 January 2024)	N/A	N/A	N/A	N/A	N/A
Ms. Nie Li	1/1	4/4	N/A	N/A	N/A
Ms. Lin Xiaojuan	1/1	4/4	N/A	N/A	N/A
Mr. Zhang Wenyuan (resigned on 27 June 2024)	1/1	2/2	N/A	N/A	N/A
Mr. Chang Li-Chung (re-designated from an independent non-executive Director to an executive Director on 16 April 2024)	1/1	4/4	1/1	1/1	1/1
Independent Non-Executive Directors					
Mr. Chu Kin Ming	1/1	4/4	4/4	N/A	2/2
Ms. Yi Jing	1/1	4/4	4/4	2/2	2/2
Ms. Dai Xiaoyan (appointed on 16 April 2024)	1/1	2/2	3/3	1/1	1/1

Corporate Governance Report

Apart from the said meetings, matters requiring Board approval were arranged by means of circulation of written resolutions of all Board members.

In addition to regular Board meetings, under code provision C.2.7 of the CG, the chairman should at least annually hold meetings with the independent non-executive Directors without the presence of other Directors (the **“Chairman and Independent non-executive Directors Meeting”**). During the year ended 31 December 2024, one Chairman and Independent non-executive Directors Meeting was held.

All business transacted at the Board meetings and by written resolutions were well documented. Minutes of the Board meetings and written resolutions are kept by the Company and are available to all Directors.

CHAIRMAN AND CHIEF EXECUTIVE

Pursuant to code provision C.2.1 of the CG Code, the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. During the year ended 31 December 2024, the position of the chairman and the chief executive officer of the Company were held separately. Mr. Hu Wu'an is the chairman of the Company and Mr. Ang Lay Keong (Hong Liqiang) is the chief executive officer.

Mr. Ang Lay Keong (Hong Liqiang) is responsible for major decision making and implementation of business strategies of the Group. Mr. Hu Wu'an takes the lead to ensure that the Board works effectively and acts in the best interest of the Company by encouraging the Directors to make active contributions to Board's affairs and promoting a culture of openness and debate.

BOARD COMMITTEES

The Board has established three Board Committees, namely, the Audit Committee, the Remuneration Committee and the Nomination Committee, for overseeing particular aspects of the Company's affairs. All Board Committees have been established with defined written terms of reference, which are posted on the website of the Stock Exchange at <http://www.hkexnews.hk> and the Company's website at www.ow.sg. All the Board Committees should report to the Board on their decisions or recommendations made.

The practices, procedures and arrangements in conducting meetings of Board Committees follow in line with, so far as practicable, those of the Board meetings set out above.

All Board Committees are provided with sufficient resources to perform their duties and, upon reasonable request, are able to seek independent professional advice in appropriate circumstance, at the Company's expense.

Remuneration Committee

The Company established the Remuneration Committee pursuant to a resolution of passed on 18 September 2019 in compliance with Rule 5.34 of the GEM Listing Rules with written terms of reference in compliance with the CG Code. The primary functions of the Remuneration Committee are to (i) make recommendation to the Board on the remuneration packages of the Directors and senior management of the Group, (ii) review performance based remuneration and (iii) ensure none of the Directors determine their own remuneration.

Corporate Governance Report

As at the date of this annual report, the Remuneration Committee consists of three independent non-executive Directors, namely, Mr. Chu Kin Ming, Ms. Yi Jing and Ms. Dai Xiaoyan. Ms. Yi Jing serves as the chairlady of the Remuneration Committee.

Pursuant to the code provision E.1.5 of the CG Code, the remuneration of the members of the Board and the senior management by band for the year ended 31 December 2024 is set out below:

In the band of	Number of Individuals
Nil to HK\$1,000,000	2
HK\$1,000,001 to HK\$2,000,000	2
Over HK\$2,000,000	1

Details of the remuneration of each Director and the 5 individuals with the highest emoluments in the Group for the year ended 31 December 2024 are set out in Note 13 to the consolidated financial statements, respectively, contained in this annual report.

The members of the Remuneration Committee should meet at least once a year. During the year ended 31 December 2024 up to the date of this annual report, 2 Remuneration Committee meetings were held, and the individual attendance records of each Director at the meeting of the Remuneration Committee is set out on page 24 of this annual report.

Set out below is a summary of the work and related tasks performed by the Remuneration Committee during the period:

- reviewed the summary of remuneration package paid to each Directors and senior management of the Company;
- studied the current remuneration package, policy and structure of all Directors (including appointment(s), resignation(s) and retirement(s) during the year);
- assessed the performance of the executive Directors;
- proposed remuneration packages with reference to the duties and responsibilities of Directors, business performance and profitability of the Group and market conditions, the corporate objective and goal set by the Board and a report of salaries paid by the comparable companies to directors and senior management; and
- reviewed the procedures of remuneration policy, procedures and structure for fixing the remuneration packages.

Audit Committee

As at the date of this annual report, the Audit Committee consists of three independent non-executive Directors, namely Mr. Chu Kin Ming, Ms. Yi Jing and Ms. Dai Xiaoyan. Mr. Chu Kin Ming serves as the chairman of the Audit Committee, who holds the appropriate professional qualifications as required under Rules 5.05(2) and 5.28 of the GEM Listing Rules.

Corporate Governance Report

The primary duties of the Audit Committee are mainly to review the financial information and reporting process, internal control procedures and risk management system, audit plan and relationship with external auditors and arrangements to enable employees of the Company to raise, in confidence, concerns about possible improprieties in financial reporting, internal control or other matters of the Company.

The members of the Audit Committee should meet at least four times a year to consider quarterly report, interim report and annual report prepared by the Board and meet the external auditors at least once a year. During the year ended 31 December 2024 up to the date of this annual report, the Audit Committee met 4 times, of which 4 of the meetings was also with the presence of the senior management of the Company and performed the following major tasks:

- Review of and discussion on the quarterly, interim and annual financial statements, results announcements and reports, the related accounting principles and practices adopted by the Group and the relevant audit findings;
- Review the Company's financial controls, internal control and risk management systems, such risks would include, amongst others, material risks relating to ESG; and
- Discussion and recommendation of the re-appointment of external auditor.

Nomination Committee

As at the date of this annual report, the Nomination Committee consists of one executive Director, and two independent non-executive Directors, namely Ms. Dai Xiaoyan, Mr. Ang Lay Keong (Hong Liqiang) and Ms. Yi Jing. Ms. Dai Xiaoyan serves as the chairlady of the Nomination Committee.

The principal duties of the Nomination Committee are to (i) review the Board composition; (ii) develop and formulate relevant procedures for the nomination and appointment of directors; (iii) identify qualified individuals to become members of the Board; (iv) monitor the appointment and succession planning of directors; and (v) assess the independence of independent non-executive Directors.

Up to the date of this annual report, the Nomination Committee met twice and performed the following major tasks:

- Review and discussion of the existing structure, size and composition of the Board to ensure that it has a balance of gender, age, cultural and educational background, professional experience, skills, knowledge, experience and diversity of perspectives appropriate to the requirements for the business of the Group;
- Assessment of the independence of the existing independent non-executive Directors;
- Recommendation on the re-appointment of retiring Directors at the AGM pursuant to the Articles of Association;
- Review and development of the Company's policies and practices on corporate governance and make recommendations to the board;

Corporate Governance Report

- Review and monitoring of the training and continuous professional development of directors and senior management;
- Review and monitoring of the Company's policies and practices on compliance with legal and regulatory requirements;
- Review and monitoring of the code of conduct applicable to employees and directors; and
- Review of the Company's compliance with the CG Code and disclosure in the Corporate Governance Report.

The members of the Nomination Committee should meet at least once a year where appointment of the Directors will be considered. During the year ended 31 December 2024 up to the date of this annual report, the individual attendance records of the each Nomination Committees at the meeting of the Nomination Committee is set out on page 23 of this annual report.

Policy for Nomination of Directors

It is the policy of the Nomination Committee to adopt the following procedure, process and criteria for selecting and recommending candidates for directorships.

Selection Criteria

The Nomination Committee will evaluate, select and recommend candidate(s) for directorships to the Board by giving due consideration to a wide range of criteria, having due regard to the benefits of diversity on the Board, including but not limited to gender, age, experience, cultural and educational background, expertise, skills and know-how, sufficient time to effectively carry out their duties, their services on other listed and non-listed companies (if any, which should be limited to reasonable numbers), qualifications including accomplishment and experience in the relevant industries the Company's business is involved in, independence, reputation for integrity, potential contributions that the individual(s) can bring to the Board and commitment to enhance and maximise value for Shareholders.

Nomination Procedure and Process

The Nomination Committee will recommend to the Board for the appointment of a Director in accordance with the following procedure and process:

- (a) by giving due consideration to the current composition and size of the Board, develop a list of desirable skills, perspectives and experience at the outset to focus the search effort;
- (b) consult any source it deems appropriate in identifying or selecting suitable candidates, such as referrals from existing directors, advertising, recommendations from independent agency firms, and proposals from shareholders of the Company, with due consideration given to the criteria set out in the section titled "Selection Criteria" above;
- (c) adopt any process it deems appropriate in evaluating the suitability of the candidates, such as interviews, background checks, presentations and third-party reference checks;

Corporate Governance Report

- (d) upon considering a candidate suitable for the directorship, the Nomination Committee will hold a meeting and/or by way of written resolutions to, if thought fit, approve the recommendation to the Board for appointment;
- (e) make the recommendation to the Board in relation to the proposed appointment and the proposed remuneration package; and
- (f) the Board will have the final authority on determining the selection of nominees.

The ultimate decision of Board appointment will be based on reputation and contribution that the selected candidates will bring to the Board. The Nomination Committee will review the Board Diversity Policy on an annual basis and discuss any revisions that might be required, and recommend to the Board for consideration and approval.

DIVIDEND POLICY

The Company has adopted a dividend policy that, in recommending or declaring dividends, the Company shall maintain adequate and sufficient cash reserves for meeting its working capital requirements and future growth as well as its Shareholder value. The Board has the full discretion to declare and distribute dividends to the Shareholders, and any final dividend for a financial year will be subject to Shareholders' approval. In proposing any dividend pay-out, the Board shall also take into account, among other things, the Group's financial results, financial position, cash flow situation, business conditions and strategies, current and future operations and earnings, capital requirements and expenditure plans, interests of Shareholders, prevailing economic environment, any restrictions on payment of dividends and any other factors the Board may consider relevant. Any payment of the dividend by the Company is also subject to any restrictions under all applicable laws and regulations.

COMPANY SECRETARY

The Company Secretary supports the Board by ensuring good information flow within the Board and that the Board policy and procedures are followed. The Company Secretary is responsible for advising the Board on the corporate governance matters. All Directors have access to the advice and services of the Company Secretary to ensure that the Board procedures and all applicable laws, rules and regulations, are followed.

Ms. Xu is the company secretary of the Company. For details of Ms. Xu's qualifications, please refer to the section headed "Biographical Details of Directors and Senior Management" of this annual report.

Ms. Xu does not act as an individual employee of our Company, but as an external service provider in respect of the appointment of Ms. Xu as the company secretary of the Company. Pursuant to code provision C.6.1 of the CG Code as set out in Appendix C1 of the GEM Listing Rules, an issuer can engage an external service provider as its company secretary, provided that the issuer should disclose the identity of a person with sufficient seniority at the issuer whom the external provider can contact. In this respect, the Company has nominated Ms. Nie Li, the executive Director, as its contact point for Ms. Xu.

Corporate Governance Report

Ms. Xu has complied with all the required qualifications, experiences and training requirements under the GEM Listing Rules. For the year ended 31 December 2024, Ms. Xu complied with the GEM Listing Rules by taking not less than 15 hours of relevant professional training.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the rules set out in Rules 5.48 to 5.67 of the GEM Listing Rules as the code for dealing in securities of the Company by the Directors (the “**Required Standard of Dealings**”). Having made specific enquiry, all the Directors have confirmed that they have complied with the Required Standard of Dealings during the year ended 31 December 2024.

Pursuant to Rule 5.66 of the GEM Listing Rules, the Directors have also requested any employee of the Company or director or employee of a subsidiary of the Company who, because of his/her office or employment in the Company or a subsidiary, is likely to possess inside information in relation to the securities of the Company, not to deal in securities of the Company when he/she would be prohibited from dealing by the Required Standard of Dealings as if he/she was a Director.

RISK MANAGEMENT AND INTERNAL CONTROL

The Board has overall responsibility for the establishment, maintenance and review of the Group's internal control system to safeguard the assets of the Group and shareholder investments. The internal control system of the Group aims to facilitate effective and efficient operation which in turn minimises the risks to which the Group is exposed. The system can only provide reasonable but not absolute assurance against misstatement or losses.

The Board has conducted a review of the implemented system and procedures, covering financial, operational and legal compliance controls and risk management functions. The Directors consider that the Group has implemented appropriate procedures for safeguarding the Group's assets against unauthorised use or misappropriation, maintaining proper accounting records, segregation of duties and putting plans and routines into execution with appropriate authority and in compliance with the relevant laws and regulations.

The Audit Committee reviewed the internal control review report issued by the independent consultancy company and the Company's risk management and internal control systems in respect of the year ended 31 December 2024 and considered that they are effective and adequate. The Board assessed the effectiveness of internal control systems by considering the internal control review report and reviews performed by the Audit Committee and concurred the same.

The Group has yet to establish its internal audit function during the year ended 31 December 2024. The Audit Committee and the Board has considered the internal control review report prepared by an independent consultancy company in respect of any material control deficiencies identified during the course of the financial statement audit to form the basis to review the adequacy and effectiveness of the Group's risk management and internal control systems. The Audit Committee and the Board will continue to review the need for an internal audit function on an annual basis.

Corporate Governance Report

The Directors have reviewed the need for an internal audit function and are of the view that in light of the size, nature and complexity of the business of the Group, it would be more cost effective to appoint external independent professionals to perform internal audit function for the Group in order to meet its needs. Nevertheless, the Directors will continue to review at least annually the need for an internal audit function.

The Group adopts a risk management framework which comprises the following processes:

- Identify significant risk in the Group's operation environment and evaluate the impacts of those risks on the Group's business;
- Develop necessary measures to manage those risks; and
- Monitor and review the effectiveness of such measures.

The Group formulated the policies and procedures of risk management and internal control as follows:

- The Group established an organizational structure with clear operating and reporting procedures, lines of responsibility and delegated authority;
- Each operating subsidiary maintains internal controls and procedures appropriate to its structure whilst complying with the Group's policies, standards and guidelines;
- Relevant executive Directors and senior management have been delegated with specific accountability for monitoring the performance of designated business operating units;
- A systematic review of the financial and business processes in order to provide management on the adequacy and effectiveness of internal controls. Where weaknesses are identified in the system of internal controls, management will evaluate and take necessary measures to ensure that improvements are implemented; and
- Code of ethics are established and adhered to by all employees to ensure high standards of conduct and ethical values in all business practices.

Corporate Governance Report

Whistleblowing Policy

The Board adopted a whistleblowing policy (the “**Whistleblowing Policy**”) which allows employees and those who deal with the Company (e.g. customers and suppliers) to raise concerns, in confidence and anonymity, about possible improprieties in operation, financial reporting or other matters related to the Company. Such arrangement will be reviewed by the Audit Committee which ensures that proper arrangement is in place for fair and independent investigation of the matters. The purpose of the Whistleblowing Policy is to (i) foster a culture of compliance, ethical behaviour and good corporate governance across the Group; and (ii) promote the importance of ethical behaviour and encourages the reporting of misconduct, unlawful and unethical behavior.

The nature, status and the results of the complaints received under the Whistleblowing Policy are reported to the chairman of the Audit Committee of the Group. No incident of fraud or misconduct that have material effect on the Group’s financial statements or overall operations for the year ended 31 December 2024 has been discovered.

The Whistleblowing Policy is reviewed annually by the Audit Committee to ensure its effectiveness.

Anti-corruption policy

The Board adopted an anti-corruption policy (the “**Anti-corruption Policy**”). The Group is committed to achieving the highest standards of integrity and ethical behaviour in conducting its business. The Anti-corruption Policy forms an integral part of the Group’s corporate governance framework. The Anti-corruption Policy sets out the specific behavioural guidelines that the Group’s personnel and business partners must follow to combat corruption. It demonstrates the Group’s commitment to the practice of ethical business conduct and the compliance of the anti-corruption laws and regulations that apply to its local and foreign operations. In line with this commitment and to ensure transparency in the Group’s practices, the Anti-corruption Policy has been prepared as a guide to all Group employees and third parties dealing with the Group.

The Anti-corruption Policy is reviewed and updated periodically to align with the applicable laws and regulations as well as the industry best practice.

Procedures and Internal Control for Handling and Dissemination of Inside Information

The Board has approved and adopted the Inside Information Policy for the Company during the year ended 31 December 2024 for monitoring inside information to ensure compliance with the GEM Listing Rules and the Securities and Futures Ordinance. The procedures and internal controls for handling and dissemination of inside information as set out in the Inside Information Policy are summarised below:

Handling of Inside Information

1. Inside information shall be announced as soon as reasonably practicable after it becomes known to the Board and/or is the subject of a decision by the Board in accordance with the GEM Listing Rules. In cases where a decision by the Board is pending or in cases of incomplete negotiations, the Group shall implement the procedures set out in the Inside Information Policy to maintain the confidentiality of information. Until an announcement is made, the Directors should ensure that such information is kept strictly confidential. If the confidentiality cannot be maintained, an announcement shall be made as soon as practicable.

Corporate Governance Report

- Each department shall keep inside information on transactions confidential. If there is a leakage of inside information, they shall inform the Directors and the Company Secretary immediately, so that remedial actions, including making an inside information announcement, can be taken at the earliest opportunity.
- The Group's Finance Department shall keep track of the Group's threshold levels for disclosure pursuant to the size tests under the GEM Listing Rules, so that an announcement can be made as soon as practicable should a notifiable transaction arises.

Dissemination of Inside Information

Inside information is announced promptly through the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.ow.sg). The electronic publication system of the Stock Exchange is the first channel of dissemination of the Group's information before any other channel.

AUDITOR'S REMUNERATION AND AUDITOR RELATED MATTERS

During the year ended 31 December 2024, the fee paid/payable to auditor in respect of audit service and/or non-audit services provided by the auditor to the Group were as follows:

Nature of services	2024	2023
	SGD'000	SGD'000
Audit services	142	152

There is no disagreement between the Board and the Audit Committee regarding the reappointment of external auditor.

Directors' and Auditor's Responsibilities for Consolidated Financial Statements

The Directors acknowledge their responsibilities for preparing the consolidated financial statements of the Group for the year ended 31 December 2024, which give a true and fair view of the state of affairs, results and cash flows of the Group and are in compliance with the relevant accounting standards and principles, applicable laws and disclosure provisions required of the GEM Listing Rules.

As at 31 December 2024, the Board was not aware of any material uncertainties relating to events or conditions that might cast significant doubt upon the Group's ability to continue as a going concern. Therefore the Directors continue to adopt the going concern approach in preparing the consolidated financial statements.

The responsibilities of the Group's external auditors, HLB Hodgson Impey Cheng Limited, on the Company's consolidated financial statements are set out in the Independent Auditor's Report on pages 50 to 54 of this annual report.

Corporate Governance Report

DIVERSITY

Board Diversity Policy

The Board recognises the importance of its diversity in relation to its business, and adopted on 18 September 2019 and amended on 29 December 2022 a board diversity policy (the “**Board Diversity Policy**”). The Board Diversity Policy sets out the approach to achieve diversity on the Board, the summary of which is set out below:

- The Company recognises and embraces the benefits of having a diverse Board to enhance the quality of its performance;
- In designing the Board’s composition, Board diversity has been considered from a number of aspects, including but not limited to gender, age, cultural and educational background, professional experience, skills, knowledge, experience and diversity of perspectives; and
- All Board appointments will be based on meritocracy, and candidates will be considered against objective criteria, having due regard for the benefits of diversity on the Board.

As at 31 December 2024, the Directors have a balanced mix of knowledge, skills and experience, including the areas of automobile industry, business management, accounting and tax planning as well as legal. They obtained academic certificates, degrees and masters in various majors, including finance and economics, business management, jurisprudence and international commercial law. As at the date of this annual report, the Board comprises 5 executive Directors and 3 independent non-executive Directors, and the male Directors represent approximately 50% of the Board and the female Directors represent approximately 50% of the Board. Furthermore, the Board has a wide range of age, ranging from 37 years old to 63 years old.

Measurable Objectives

In terms of implementing the Board Diversity Policy, there are the following measurable objectives:

- (a) to comply with the requirements as specified under the GEM Listing Rules from time to time in relation to composition of the Board;
- (b) the number of independent non-executive Directors appointed must not be less than three and must represents at least one-third of the Board;
- (c) at least one of the independent non-executive Directors must have appropriate professional qualifications or accounting or related financial management expertise; and
- (d) must appoint a Director of a different gender on or before the year ended 2024 to avoid single gender board.

As at 31 December 2024, all the measurable objectives under the Board Diversity Policy have been fulfilled.

Corporate Governance Report

Monitoring and Reporting

The Board reviews the Board Diversity Policy and the measurable objectives for implementing such policy on a regular basis and will review the progress on achieving these objectives, developing successors to the Board, and the implementation and effectiveness of the Board Diversity Policy on an annual basis.

Gender diversity of Workforce

Gender diversity at workforce levels (including our senior management) is disclosed in the Company's "Environmental, Social and Governance Report".

SHAREHOLDERS' RIGHTS

Shareholders should direct their questions about their shareholdings to the Company's Hong Kong branch registrar and transfer office, namely, Tricor Investor Services Limited, whose contact details are stated in the section headed "Corporate Information" of this annual report.

Shareholders holding not less than one-tenth of the paid-up capital of the Company carrying the right of voting at general meetings of the Company may deposit a requisition to convene an extraordinary general meetings (the "EGM") or to add resolutions to the agenda of such EGM and state the purpose therefore to the Board or the Company Secretary.

The Company has adopted Shareholders' Communications Policy with Shareholders and investors of the Company that provide ready, equal and timely access to understandable information about the Company. The Board welcomes Shareholders for their comments and/or enquiries about the Company. Shareholders may send their comments and/or enquiries to the Board by addressing them to the Company Secretary. Shareholders who wish to put forward proposal for the Company's consideration at the general meetings of the Company can send their proposal to the Company Secretary.

Pursuant to Articles of Association of the Company, if a Shareholder wishes to propose another person (the "Candidate") for election as a Director at a general meeting of the Company, the Shareholder should deposit a written notice of nomination and a written notice of consent signed by the Candidate to the principal place of business of the Company in Hong Kong during a period of at least seven days commencing the day after the despatch of the notice of the meeting appointed for such election and ending no later than seven days before the date of such general meeting. The relevant procedures are posted on the Company's website (www.ow.sg).

The Shareholders may at any time send their enquiries and concerns to the Board in writing. Contact details are as follows:

Address: Room 705, 7/F, 9 Des Voeux Road West, Hong Kong

Shareholders' enquiries and concerns will be forwarded to the Board and/or relevant Board Committees of the Company, where appropriate, to answer the Shareholders' questions.

Corporate Governance Report

INVESTOR RELATIONS AND SHAREHOLDERS ENGAGEMENT

The Board puts great emphasis on investor relationship in particular fair disclosure and comprehensive report of the Company's performance and activities.

Shareholders are encouraged to attend the general meetings of the Company and the Board members, in particular, either the chairmen of Board committees or their delegates, appropriate management executives and external auditor will attend AGM and make efforts to fully address any questions raised by the Shareholders at the AGM.

The forthcoming annual general meeting of the Company will be held on Thursday, 26 June 2025 (the “**2025 AGM**”), the notice of which shall be sent to the Company's shareholders in accordance with the Articles of Association of the Company, the GEM Listing Rules and other applicable laws and regulations.

Constitutional Documents

During the year ended 31 December 2024, there was no change in the Company's constitutional documents.

Communication with Shareholders

In order to enable Shareholders to exercise their rights in an informed manner, and to allow Shareholders and the investment community to engage actively with the Company, the Company has established a number of channels for maintaining on-going dialogue with the Shareholders as follows:

- corporate communications such as annual reports, quarterly reports, interim reports and circulars are issued in printed form and are available on the GEM's website and the Company's website;
- periodic announcements are made through the Stock Exchange and published on the respective websites of the GEM of the Stock Exchange and the Company;
- corporate information is made available on the Company's website;
- AGM and EGM provide a forum for the Shareholders to make comments and exchange views with the Directors and senior management; and
- the Company's share registrars serve the Shareholders in respect of share registration, dividend payment, change of Shareholders' particulars and related matters.

The shareholders' communication policy is reviewed by the Board on a regular basis. By reviewing the views of shareholders that have been received as well as assessing how the opinions of shareholders have been considered in reaching important strategic decisions during the year ended 31 December 2024, the Board considers its shareholders' communication policy implemented effectively.

Directors' Report

The Board is pleased to present its annual report together with the audited consolidated financial statements of the Group for the year ended 31 December 2024. The Shares were listed on GEM of the Stock Exchange on 11 October 2019.

PRINCIPAL ACTIVITIES

The Group is principally engaged in (i) the provision of a comprehensive range of after-market automotive services, with a focus on inspection, maintenance and repair services; (ii) offering short-term and long-term car rental services; and (iii) supplying passenger car spare parts, accessories and automotive equipment to customers in Singapore and overseas countries and automobiles to customers in China.

BUSINESS REVIEW

The review of the business of the Group during the year ended 31 December 2024 and the discussion on the Group's future business development are set out in the sections headed "Chairman's Statement" and "Management Discussion and Analysis", and the description of the principal risks and uncertainties facing the Group and key financial performance indicators are set out in the section headed "Management Discussion and Analysis". The financial risk management objectives and policies of the Group are set out in Note 35 to the consolidated financial statements. No important event affecting the Group has occurred during the year ended 31 December 2024 up to the date of this annual report.

FINANCIAL SUMMARY

A summary of the results and of the assets and liabilities of the Group for the five years is set out in the financial summary on page 141 of this annual report. This summary does not form part of the audited consolidated financial statements.

RESULTS AND DIVIDENDS

The results of the Group for the year ended 31 December 2024 and the financial position of the Company and of the Group at that date are set out in the consolidated financial statements on pages 55 to 57 of this annual report.

The Board does not recommend the payment of a final dividend for the year ended 31 December 2024.

REVENUE

An analysis of the Group's revenue for the year ended 31 December 2024 is set out in Note 7 to the consolidated 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 16 to the consolidated financial statements.

Directors' Report

SHARE CAPITAL

Details of the Company's share capital is set out in Note 26 to the consolidated financial statements. The Company's shares have been listed on the GEM of the Stock Exchange since 11 October 2019.

RESERVES

Details of movements in the reserves of the Company and the Group are set out in Note 27 to the consolidated financial statements and in the consolidated statement of changes in equity respectively.

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.

DISTRIBUTABLE RESERVES

As at 31 December 2024, the Group's reserves available for distribution to owners comprising share premium account and accumulated losses, amounted to approximately SGD2.2 million (31 December 2023: SGD3.7 million).

MAJOR CUSTOMERS AND SUPPLIERS

During the year ended 31 December 2024, the revenue attributable to the Group's largest customer and five largest customers accounted for approximately 10% (2023: 17%) and 23% (2023: 49%) of the Group's total revenue, respectively.

None of the Directors or any of their close associates (as defined in GEM Listing Rules) or any shareholders (which, to the best knowledge of the Directors, own more than 5% of the Company's issued share capital) has any interest in the Group's five largest customers.

During the year ended 31 December 2024, the cost attributable to the Group's largest suppliers and five largest suppliers accounted for approximately 16% (2023: 4%) and 35% (2023: 12%) of the Group's total cost, respectively.

None of the Directors or any of their close associates (as defined in GEM Listing Rules) or shareholders (which, to the best knowledge of the Directors, own more than 5% of the Company's issued share capital) has any interest in the Group's five largest suppliers.

Directors' Report

DIRECTORS

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

Executive Directors

Mr. Hu Wu'an (Chairman)

Mr. Ang Lay Keong (Hong Liqiang) (Chief Executive Officer)

Ms. Lim Li Ling (Lin Liling) (resigned on 19 January 2024)

Ms. Nie Li

Ms. Lin Xiaojuan

Mr. Zhang Wenyuan (resigned on 27 June 2024)

Mr. Chang Li-Chung (re-designated from an independent non-executive Director to an executive Director on 16 April 2024)

Independent Non-Executive Directors

Mr. Chu Kin Ming

Ms. Yi Jing

Ms. Dai Xiaoyan (appointed on 16 April 2024)

During the year ended 31 December 2024 and up to the date of this annual report, each of Ms. Lim Li Ling (Lin Liling) and Mr. Zhang Wenyuan resigned as an executive Director of the Company in order to devote more time to his/her personal affairs and other business commitments. With effect from 16 April 2024, Mr. Chang Li-Chung has redesignated from an independent non-executive Director to an executive Director and ceased to be the chairman of the Nomination Committee and a member of each of the Audit Committee and the Remuneration Committee and Ms. Dai Xiaoyan has been appointed as an independent non-executive Director, the chairlady of the Nomination Committee and a member of each of the Audit Committee and the Remuneration Committee.

In accordance with the Articles of Association, at each AGM, one-third of the Directors for the time being shall retire from office by rotation provided that every Director shall be subject to retirement by rotation at least once every three years. Such retiring Directors may, being eligible, offer themselves for re-election at the annual general meeting. All Directors appointed by the Board to fill a casual vacancy on the Board or as an addition to the existing Board shall hold office until the first annual general meeting of shareholders after their appointment and be subject to re-election at such meeting.

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

The biographical information of the Directors and senior management of the Group are set out on pages 13 to 16 under the section headed Biographical Details of Director and Senior Management of this annual report.

Directors' Report

PERMITTED INDEMNITY PROVISION

Every Director shall be entitled to be indemnified out of the assets of the Company against all losses or liabilities incurred or sustained by him as a Director in defending any proceedings, whether civil or criminal, in which judgment is given in his favour, or in which he is acquitted.

As at 31 December 2024, the Company has taken out Directors' and officers' liabilities insurance which provides appropriate coverage for the Directors.

DIRECTORS' SERVICE CONTRACTS

Mr. Ang, being an executive Directors, has entered into a service agreement with the Company for an initial term of three years commencing from the Listing Date. Ms. Nie, being an executive Director, has entered into a service agreement with the Company for an initial term of three years commencing from 18 May 2021. Ms. Lin, being an executive Director, has entered into a service agreement with the Company for an initial term of three years commencing from 24 August 2021. Mr. Hu, being an executive Director, has entered into a service agreement with the Company for an initial term of three years commencing from 6 January 2021. Each of the service contracts shall continue unless and until it is terminated by either party giving not less than three months' prior notice in writing and is subject to termination provisions therein and retirement and re-election at the annual general meetings of the Company in accordance with the Articles of Association or any other applicable laws from time to time whereby he/she shall vacate his/her office. Mr. Chang, re-designated from an independent non-executive Director to an executive Director on 16 April 2024, has entered into a service agreement with the Company for an initial term of one year commencing from 16 April 2024 which may be terminated by either party giving not less than one month's prior notice in writing and is subject to termination provisions therein and retirement and re-election at the annual general meetings of the Company in accordance with the Articles of Association or any other applicable laws from time to time whereby he shall vacate his office.

Mr. Chu, being an independent non-executive Directors, has entered into a letter of appointment with the Company for an initial term of three years commencing from the Listing Date. Ms. Yi, being an independent non-executive Director, has entered into a letter of appointment with the Company for a term of three years commencing from 30 June 2022, Ms. Dai, being an independent non-executive Director, has entered into a letter of appointment with the Company for a term of one year commencing from 16 April 2024, which may be terminated by either party giving not less than one month's prior notice in writing and is subject to termination provisions therein and retirement and re-election in accordance with the Articles of Association, the GEM Listing Rules and any other applicable laws from time to time. Each of the letters of appointment of Mr. Chu and Ms. Yi may be terminated by either party giving not less than three months' prior notice in writing and is subject to termination provisions therein and retirement and re-election in accordance with the Articles of Association, the GEM Listing Rules and any other applicable laws from time to time.

None of the Directors who are proposed for re-election at the forthcoming annual general meeting has a service contract or letter of appointment with the Company which is not determinable within one year without payment of compensation, other than statutory compensation.

Directors' Report

EMOLUMENT POLICY

The remuneration of the Directors and Group's employees is determined based on a number of factors, including their qualifications, function, experience, work performance and local market conditions. The Group regularly reviews its compensation and benefit policies to ensure that the remuneration package offered remains competitive and in line with relevant labour regulations.

EMOLUMENTS OF DIRECTORS AND FIVE HIGHEST PAID INDIVIDUALS

Details of the emoluments of the directors of the Company and the five highest paid individuals of the Group are set out in Note 13 to the consolidated financial statements, respectively. There has been no arrangement under which any Director has waived or agreed to waive any emoluments.

CONTRIBUTIONS TO THE RETIREMENT BENEFITS SCHEME

The Group participates in the Central Provident Fund prescribed by the Central Provident Fund Act (Chapter 36 of the laws of Singapore) and have made the relevant contributions in accordance with the aforesaid laws and regulations. Save as the aforesaid, the Group has not participated in any other pension scheme(s).

The relevant subsidiaries are required to contribute a specific percentage of the payroll costs to the Central Provident Fund. The only obligation of the Group with respect to the Central Provident Fund is to make the specified contributions. There are no forfeitures available to reduce company contributions from those employees who have left the company as they are fully entitled to their contributions upon leaving employment.

The total amounts contributed by the Group to the Central Provident Fund and cost charged to the profit or loss represents contributions payable to the Central Provident Fund by the Group at rates specified in the rules of the Central Provident Fund. Under the Central Provident Fund, the employees contribute 5% to 20% of their wages, while the group companies contribute 7.5% to 17% of the wages of their employees. The employers' and employees' contributions are subject to a cap of employees' monthly ordinary wages of SGD6,000 during the years ended 31 December 2024 and 2023.

DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS

There was no transactions, arrangements or contracts of significance to which the Company, its holding company or any of its subsidiaries was a party and in which a Director had a material interest whether directly or indirectly, existed at the end of the year or at any time during the year ended 31 December 2024.

MANAGEMENT CONTRACTS

As at 31 December 2024, the Company did not enter into or have any management and administration contracts in respect of the whole or any principal business of the Company.

Directors' Report

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS

As at 31 December 2024, the interests and short positions of the Directors and chief executive 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 SFO) which are required (a) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of part XV of the SFO (including interests and short positions in which they are taken or deemed to have under such provisions of the SFO); or (b) pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (c) have to be notified to the Company and the Stock Exchange pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules, are as follows:

Long Positions

Name of Director	Capacity/Nature of Interest	As at 31 December 2024	
		Number of Shares held	Approximate percentage of Shareholding ⁽¹⁾
Mr. Ang Lay Keong (Hong Liqiang) ⁽²⁾	Interest in controlled corporation	378,798,000	44.56%
Mr. Hu Wu'an	Beneficial owner	56,582,000	6.66%
Ms. Nie Li	Beneficial owner	18,275,400	2.15%

Notes:

- (1) The percentage has been compiled based on the total number of 850,000,000 Shares in issue as at the date of this annual report.
- (2) This represents the Shares held by Red Link International Limited ("**Red Link**"), a company that is beneficially owned by Ms. Lim Fang Fang, Queenie (Lin Fangfang, Queenie) ("**Ms. FF Lim**") as to 54.70% and Mr. Ang as to 45.30%. Therefore, Mr. Ang and Ms. FF Lim are deemed to be interested in all the Shares held by Red Link under the SFO.

Save as disclosed above, as at 31 December 2024, none of the Directors or chief executive of the Company nor their associates have interests or short positions in any Shares or underlying Shares and/or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which would have to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions in which they are taken or deemed to have under such provisions of the SFO) or that are required to be recorded in the register kept by the Company pursuant to section 352 of the SFO, or which are required to be notified to the Company and the Stock Exchange, pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules.

Directors' Report

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES OF THE COMPANY

As at 31 December 2024, so far as the Directors are aware, the persons/entities (other than Directors or chief executive of the Company) who have interests and short positions in the Shares and underlying Shares of the Company which would fall to be disclosed to the Company pursuant to the provisions in Divisions 2 and 3 of Part XV of the SFO or would be required to be entered in the register maintained by the Company pursuant to section 336 of the SFO are as follows:

Long Positions

Name	Capacity/Nature of Interest	As at 31 December 2024	
		Number of Shares held	Approximate percentage of Shareholding ⁽¹⁾
Red Link	Beneficial owner	378,798,000	44.56%
Ms. FF Lim ⁽²⁾	Interest in a controlled corporation	378,798,000	44.56%
Ms. Lim Li Ling (Lin Liling) ⁽⁴⁾	Interest of spouse	378,798,000	44.56%
Mr. Ng Chee Keen ⁽³⁾	Interest of spouse	378,798,000	44.56%

Notes:

- (1) The percentage has been compiled based on the total number of 850,000,000 Shares in issue as at the date of this annual report.
- (2) This represents the shares held by Red Link, a company that is beneficially owned Ms. FF Lim as to 54.70%. Therefore, Ms. FF Lim is deemed to be interested in all the Shares held by Red Link under the SFO.
- (3) Mr. Ng Chee Keen is the spouse of Ms. FF Lim and is deemed to be interested in all the Shares held by Red Link in which Ms. FF Lim is deemed to be interested under the SFO.
- (4) Ms. Lim Li Ling (Lin Liling), a former executive Director, is the spouse of Mr. Ang Lay Keong (Hong Liqiang), and is deemed to be interested in all the Shares held by Red Link in which Mr. Ang is deemed to be interested under the SFO.

Save as disclosed above, as at 31 December 2024, the Directors are not aware of any other person (other than the Directors or chief executive of the Company as disclosed in the section headed "Directors' and chief executive's interests and short positions in Shares and underlying Shares and debentures of the Company and its associated corporations" above) who have or are deemed to have interests or short positions in the Shares, underlying Shares or debentures of the Company which have to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or are recorded in the register required to be kept by the Company under section 336 of the SFO.

COMPETING INTERESTS

During the year ended 31 December 2024, none of the Directors or the controlling shareholders of the Company or their close associates (as defined in the GEM Listing Rules) was interested in any business which competes or may compete, either directly or indirectly, with the Group's business nor did they have any other conflicts of interest with the Group.

Directors' Report

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the year ended 31 December 2024.

DIRECTORS' RIGHTS TO ACQUIRE SHARES AND DEBENTURES

Save as disclosed in the paragraphs headed "Directors' and Chief Executive's Interests and Short Positions in Shares, Underlying Shares and Debentures" and "Share Option Scheme" above, at no time during the year ended 31 December 2024 and up to the date of this annual report did the Directors and the chief executive of the Company or their respective associates (as defined under the GEM Listing Rules) have any interest in or exercise, or had been granted, any rights to subscribe for shares (or warrants or debentures, if applicable) of the Company and/or its associated corporations (within the meaning of the SFO).

Save as disclosed above, at no time during the year ended 31 December 2024 was the Company or any of its subsidiaries, associated companies, fellow subsidiaries or holding companies a party to any arrangements to enable the Directors or the chief executive of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate at any time during the year or at the end of the year ended 31 December 2024.

EQUITY-LINKED AGREEMENTS

Save as disclosed in this annual report, other than the share options granted pursuant to the Share Option Scheme (as defined below), no equity-linked agreements were entered into by the Company during the year ended 31 December 2024 or subsisted at the end of the year ended 31 December 2024.

RELATED PARTY TRANSACTIONS

During the year ended 31 December 2024, the Group entered into certain transactions with "related parties" as defined under the applicable accounting standards. Details of related party transactions of the Group during the year ended 31 December 2024 are set out in Note 33 to the consolidated financial statements.

To the best knowledge of the Directors, none of these related party transactions constitute connected transactions or continuing connected transactions that needed to be disclosed under the GEM Listing Rules.

SHARE OPTION SCHEME

The Company adopted a share option scheme on 18 September 2019 (the "**Share Option Scheme**"). The terms of the Share Option Scheme are in accordance with the provisions as set out in Chapter 23 of the GEM Listing Rules.

No share option has been granted since the adoption of the Share Option Scheme and there is no share option outstanding as at the beginning and the end of 2024. The number of share options available for grant under the Share Option Scheme at the beginning and the end of 2024 is both 85,000,000.

Directors' Report

The Directors shall, in accordance with the provisions of the Share Option Scheme and the GEM Listing Rules, determine from time to time to make an offer of grant of option ("**Offer**") to any person belonging to the following classes of eligible participants ("**Eligible Participants**"):

- (a) any employee (whether full-time or part-time including any executive director but excluding any non-executive director) of our Company, any of our subsidiaries or any entity ("**Invested Entity**") in which any member of our Group holds an equity interest;
- (b) any non-executive directors (including independent non-executive directors) of our Company, any of our subsidiaries or any Invested Entity;
- (c) any supplier of goods or services to any member of our Group or any Invested Entity;
- (d) any customer of any member of our Group or any Invested Entity;
- (e) any person or entity that provides research, development or other technological support to any member of our Group or any Invested Entity;
- (f) any shareholder of any member of our Group or any Invested Entity or any holder of any securities issued by any member of our Group or any Invested Entity;
- (g) any adviser (professional or otherwise) or consultant to any area of business or business development of any member of our Group or any Invested Entity; and
- (h) any other group or classes of participants who have contributed or may contribute by way of joint venture, business alliance or other business arrangement to the development and growth of our Group;

and, for the purposes of the Share Option Scheme, the Offer may be made to any company wholly owned by one or more persons Eligible Participants.

Maximum number of the Shares

- (a) The maximum number of Shares which may be allotted and issued upon the exercise of all outstanding options granted and yet to be exercised under the Share Option Scheme and any other share option schemes adopted by the Group must not in aggregate exceed 30% of the share capital of the Company in issue from time to time.
- (b) The total number of the Shares which may be allotted and issued upon the exercise of all options (excluding, for this purpose, options which have lapsed in accordance with the terms of the Share Option Scheme and any other share option schemes of the Group) to be granted under the Share Option Scheme and any other share option schemes of the Group must not in aggregate exceed 10% of the Shares in issue on the Listing Date, being 85,000,000 Shares ("**General Scheme Limit**").

Directors' Report

- (c) Subject to sub-paragraph (a) above but without prejudice to sub-paragraph (d) below, the Company may seek approval of the Shareholders in general meeting to refresh the General Scheme Limit provided that the total number of Shares which may be allotted and issued upon exercise of all options to be granted under the Share Option Scheme and any other share option schemes of our Group must not exceed 10% of the Shares in issue as at the date of approval of the limit and, for the purpose of calculating the limit, options (including those outstanding, cancelled, lapsed or exercised in accordance with the Share Option Scheme and any other share option scheme of the Group) previously granted under the Share Option Scheme and any other share option schemes of the Group will not be counted. The circular sent by the Company to the Shareholders shall contain, among other information, the information required under Rule 23.02(2)(d) of the GEM Listing Rules and the disclaimer required under Rule 23.02(4) of the GEM Listing Rules.
- (d) Subject to sub-paragraph (a) above and without prejudice to sub-paragraph (c) above, the Company may seek separate Shareholders' approval in general meeting to grant options beyond the General Scheme Limit or, if applicable, the extended limit referred to in sub-paragraph (c) above to Eligible Participants specifically identified by the Company before such approval is sought. In such event, the Company must send a circular to the Shareholders containing a generic description of the specified participants, the number and terms of options to be granted, the purpose of granting options to the specified participants with an explanation as to how the terms of the options serve such purpose and such other information required under Rule 23.02(2)(d) of the GEM Listing Rules and the disclaimer required under Rule 23.02(4) of the GEM Listing Rules.

The total number of Shares available for issue under the Share Option Scheme is 85,000,000 Shares, representing 10% of the issued Shares as at the date of this annual report.

Maximum entitlement of each Eligible Participants

The total number of Shares issued and which may fall to be issued upon the exercise of the options granted under the Share Option Scheme and any other share option schemes of the Group (including both exercised or outstanding options) to each grantee in any 12-month period shall not exceed 1% of the issued share capital of our Company for the time being. Where any further grant of options to a grantee under the Share Option Scheme would result in the Shares issued and to be issued upon exercise of all options granted and proposed to be granted (including exercised, cancelled and outstanding options) under the Share Option Scheme and any other share option schemes of our Group in the 12-month period up to and including the date of such further grant representing in aggregate over 1 per cent. of the Shares in issue, such further grant must be separately approved by the Shareholders in general meeting of the Company with such grantee and his/her close associates (or associates if the participant is a connected person) abstaining from voting. The Company must send a circular to the Shareholders and the circular must disclose the identity of the participant, the number and terms of the options to be granted (and options previously granted to such participant in the 12-month period), the information required under Rule 23.02(2) of the GEM Listing Rules. The number and terms (including the exercise price) of options to be granted must be fixed before the approval of the Shareholders and the date of the Board meeting for proposing such further grant should be taken as the date of grant for the purpose of calculating the exercise price under Note to Rule 23.03(9) of the GEM Listing Rules.

Directors' Report

Time of acceptance and exercise of option

An offer made to an Eligible Participant shall remain open for acceptance by the Eligible Participant concerned (and by no other person) for a period of up to twenty-one (21) days from the date on which the offer is made ("**Offer Date**").

An option may be exercised in accordance with the terms of the Share Option Scheme at any time during a period to be determined and notified by the Directors to the grantee, which may commence from the date of the offer for the grant of options is made but shall end in any event not later than 10 years from the Offer Date subject to the provisions for early termination thereof. Unless otherwise determined by the Directors and stated in the offer for the grant of options to the grantee, a grantee is not required to hold an option for any minimum period before the exercise of an option granted to him/her.

Upon acceptance, the Eligible Participant shall remit HK\$1.00 to the Company as consideration for the grant.

Subscription price for the Shares and consideration for the option

The subscription price for an option to subscribe for the Shares granted pursuant to the Share Option Scheme shall be at the discretion of the Directors and shall not be less than the highest of (i) the closing price of the Shares as stated in the Stock Exchange's daily quotations sheet for trade in one or more board lots of the Shares on the Offer Date; (ii) the average closing price of Shares as stated in the Stock Exchange's daily quotations for the five business days immediately preceding the Offer Date; and (iii) the nominal value of a Share.

Period and remaining life of the Share Option Scheme

The Share Option Scheme will remain in force for a period of 10 years commencing on 18 September 2019 and the remaining life of the Share Option Scheme was five years and eight months as at 31 December 2024.

No share option has been granted since the adoption of the Share Option Scheme and there is no share option outstanding at the beginning and the end of 2024. The number of share options available for grant under the Share Option Scheme at the beginning and the end of 2024 is both 85,000,000.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted a code of conduct for securities transactions by Directors on terms as required by Rules 5.48 to 5.67 of the GEM Listing Rules ("**Required Standard of Dealings**"). The Company had made specific enquiries with written guidelines in relation to the Required Standard of Dealings to all Directors, all Directors have confirmed that they complied with the required standards set out in the Required Standard of Dealings during the year ended 31 December 2024 up to the date of this annual report.

Directors' Report

CORPORATE GOVERNANCE PRACTICES

The Company considers the maintenance of a high standard of corporate governance important to the continuous growth of the Group. The Company's corporate governance practices are based on code provisions as set out in the Corporate Governance Code (the "**CG Code**") as contained in Appendix C1 of the GEM Listing Rules.

During the year ended 31 December 2024, other than the deviation from code provision D.2.5 of the CG Code, the Company complied with the provisions of the CG Code as set out in Appendix C1 to the GEM Listing Rules.

Under code provision D.2.5 of the CG Code, the Group should have an internal audit function. The Group has conducted an annual review during the year ended 31 December 2024 on the need for setting up an internal audit department. Given the Group's simple operating structure, instead of setting up an internal audit department, the annual review on the risk management and internal control systems of the Group has been conducted by a professional third party and reported to the members of the audit committee of the Company (the "**Audit Committee**"). The review covered analysis and independent appraisal of the adequacy and effectiveness of the Company's risk management and internal control systems, encompassing the adequacy of resources, staff qualifications and experience, training programmes and budget of the Company's accounting, internal audit and financial reporting function as well as those related to the Company's Environmental, Social and Governance ("**ESG**") performance and reporting. The Board is of the view that appropriate measures have been put in place to manage the risks and no major issue was raised for improvement during the review.

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

AUDIT COMMITTEE

The Company has established an Audit Committee with written terms of reference in compliance with Rules 5.28 to 5.33 of the GEM Listing Rules and with written terms of reference in compliance with the CG Code.

The primary duties of the Audit Committee are to review the Company's financial information and oversee the Company's financial reporting system, risk management and internal control procedures. The full terms of reference setting out details of duties of the Audit Committee are in compliance with the CG Code and are available on the websites of the Stock Exchange and the Company.

The Audit Committee comprises of three independent non-executive Directors, namely Mr. Chu Kin Ming, Ms. Yi Jing and Ms. Dai Xiaoyan. The chairman is Mr. Chu Kin Ming, who holds the appropriate professional qualifications as required under Rules 5.05(2) and 5.28 of the GEM Listing Rules.

The annual results of the Company for the year ended 31 December 2024 have been audited. The Audit Committee has reviewed the audited consolidated financial statements of the Group for the year ended 31 December 2024 and is of the opinion that the preparation of such statements complied with the applicable accounting standards, the requirements under the GEM Listing Rules and other applicable legal requirements, and that adequate disclosures had been made.

Directors' Report

CLOSURE OF THE REGISTER OF MEMBERS

The forthcoming AGM is scheduled to be held on Thursday, 26 June 2025. For determining the entitlement to attend and vote at the 2025 AGM, the register of members of the Company will be closed from Monday, 23 June 2025 to Thursday, 26 June 2025, both days inclusive, during which period no transfer of shares of the Company will be registered. In order to attend and vote at the 2025 AGM, all share transfer documents accompanied by the relevant share certificates must be lodged with the share registrar of the Company in Hong Kong, Tricor Investor Services Limited, 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration not later than 4:30 p.m. on Friday, 20 June 2025.

SUFFICIENCY OF PUBLIC FLOAT

As at the date of this annual report, based on information that is publicly available to the Company and within the knowledge of the Directors, the Directors confirm that the Company maintained sufficient public float as required under the GEM Listing Rules.

ENVIRONMENTAL POLICIES AND PERFORMANCES

The Company is committed to the sustainable development of the environment and our society. The Group has endeavoured to comply with laws and regulations regarding environmental protection and adopted effective environmental policies to ensure the Company meet the required standards and ethics in respect of environmental protection.

During the year ended 31 December 2024, the Company was in compliance, in all material respects, with the relevant environmental laws and regulations.

During the year ended 31 December 2024, the Company was compliant with the “comply or explain” provision set out in Part C of the ESG Reporting Guide set out in Appendix C2 to the Listing Rules.

COMPLIANCE WITH RELEVANT LAWS AND REGULATIONS

The Board pays attention to the Company's policies and practices to ensure its compliance with the relevant legal and regulatory requirements. External compliance and legal advisers are engaged to ensure transactions and business performed by the Group are within the applicable legal framework. Updates on the applicable laws, rules and regulations are brought to the attention of the relevant employees and operation units from time to time.

During the year ended 31 December 2024, as far as the Board and management of the Company are aware of, there has been no material non-compliance with the applicable laws and regulations by the Group, which may cause a significant impact on its business and operation.

INDEPENDENCE OF INDEPENDENT NON-EXECUTIVE DIRECTORS

The Company has received from each of the independent non-executive Directors in writing an annual confirmation of his/her independence pursuant to Rule 5.09 of the GEM Listing Rules and the Company considers all the independent non-executive Directors to be independent.

Directors' Report

CHANGE OF DIRECTORS

Ms. Lim Li Ling (Lin Liling) has resigned as an executive Director with effect from 19 January 2024.

Mr. Zhang Wenyuan has resigned as an executive Director with effect from 27 June 2024.

Mr. Chang Li-Chung has re-designated from an independent non-executive Director to an executive Director and ceased to be the chairman of the Nomination Committee and a member of each of the Audit Committee and the Remuneration Committee with effect from 16 April 2024.

Ms. Dai Xiaoyan has been appointed as an independent non-executive Director, the chairlady of the Nomination Committee and a member of each of the Audit Committee and the Remuneration Committee with effect from 16 April 2024.

INDEPENDENT AUDITOR

The consolidated financial statements for the year ended 31 December 2024 have been audited by the Company's independent auditor, HLB Hodgson Impey Cheng Limited ("**HLB**"), Certified Public Accountants, who will retire and, being eligible, offer themselves for re-appointment. A resolution for the re-appointment of HLB as auditor of the Company will be proposed at the forthcoming annual general meeting.

HLB was appointed as the Company's independent auditor on 24 November 2022 to fill the casual vacancy following the resignation of BDO Limited on the same date. Save as disclosed, there was no other changes in auditor of the Company in any of the preceding three years.

EVENTS AFTER THE REPORTING PERIOD

The Board are not aware of any significant event which had material effect on the Group subsequent to 31 December 2024 and up to the date of this report.

By Order of the Board
Optima Automobile Group Holdings Limited
Hu Wu'an
Chairman and Executive Director

Hong Kong, 26 March 2025

Independent Auditors' Report



31/F, Gloucester Tower
The Landmark
11 Pedder Street
Central
Hong Kong

TO THE MEMBERS OF OPTIMA AUTOMOBILE GROUP HOLDINGS LIMITED

(incorporated in the Cayman Islands with limited liability)

OPINION

We have audited the consolidated financial statements of Optima Automobile Group Holdings Limited (the “**Company**”) and its subsidiaries (collectively referred to as the “**Group**”) set out on pages 55 to 139, 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.

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 Hong Kong Financial Reporting Standards (“**HKFRSs**”) issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”) and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

BASIS OF OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing (“**HKSAs**”) issued by the HKICPA. 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 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.

Independent Auditors' Report

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, 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.

Impairment assessment of trade receivables

Refer to Notes 4(g), 5(i), 21 and 35(a) to the consolidated financial statements.

Key audit matter

As at 31 December 2024, the gross amount of the Group's trade receivables was approximately SGD2,363,000, against which a loss allowance of SGD182,000 was made. The net carrying amount of SGD2,181,000 represented approximately 11.6% of the total assets of the Group.

The Group measures the loss allowance for trade receivables at an amount equals to lifetime expected credit losses ("ECLs"). To measure the expected credit loss of trade receivables other than significant balances which are assessed individually, the remaining balances have been grouped based on shared credit risk characteristics. The ECLs on individually insignificant trade receivables are estimated using a provision matrix by reference to past default experience of the debtors with changes in current market condition in which the debtors operate. The ECLs also incorporate forward-looking information with reference to general macroeconomic conditions that may affect the ability of the debtors to settle receivables.

We consider the impairment assessment of trade receivables a key audit matter because of the significance of trade receivables to the Group's consolidated financial position and the assessment involves significant judgment and estimates of the receivables at the end of the reporting period.

How our audit addressed the key audit matter

Our procedures in relation to the impairment assessment on trade receivables included:

- obtaining an understanding of the Group's procedures on how the Group estimates the loss allowance for trade receivables;
- questioning management's basis and judgment in determining expected credit loss allowances using historical loss rate and forward-looking information; and
- evaluating the presentation and disclosure regarding the impairment assessment of trade receivables.

Independent Auditors' Report

OTHER INFORMATION IN THE ANNUAL REPORT

The directors 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 auditors' report thereon (the "**Other Information**").

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 are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with HKFRSs issued by the HKICPA 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.

Independent Auditors' Report

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 auditors' report that includes our opinion, solely to you, as a body, 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 HKSAAs 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 HKSAAs, we exercise professional judgment 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 consolidated 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 Auditors' Report

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

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

The engagement director on the audit resulting in this independent auditors' report is Lo Kin Kei.

HLB Hodgson Impey Cheng Limited

Certified Public Accountants

Lo Kin Kei

Practising Certificate Number: P06413

Hong Kong, 26 March 2025

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 December 2024

	Notes	2024 SGD'000	2023 SGD'000
Continuing operations			
Revenue	7	87,839	105,066
Other income and gains	8	1,135	551
Change in trading inventories		(68,650)	(86,073)
Cost of materials used		(6,898)	(6,242)
Marketing and advertising expenses		(393)	(443)
Employee benefit expenses	9	(6,800)	(6,329)
Depreciation of property, plant and equipment	9	(1,615)	(1,709)
Depreciation of right-of-use assets	9	(1,204)	(1,845)
Loss on disposal of an associate		(1,569)	–
Loss on disposal of a joint venture		(11)	–
Impairment of interests in an associate	9	–	(918)
Impairment losses under expected credit loss model on trade receivables, net of reversal	9	(45)	(32)
Impairment losses under expected credit loss model on other receivables, net of reversal	9	(49)	10
Finance costs	10	(264)	(366)
Short-term lease expenses	9	(112)	(49)
Other expenses		(2,698)	(2,945)
Share of results of an associate		–	130
Loss before income tax expense	9	(1,334)	(1,194)
Income tax expense	11	(181)	(79)
Loss for the year from continuing operations		(1,515)	(1,273)
Discontinued operation			
Loss for the year from discontinued operation	12	–	(220)
Loss for the year		(1,515)	(1,493)
Other comprehensive income/(expense), net of tax			
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Exchange differences on translating foreign operations		(36)	69
Share of other comprehensive expense of an associate		–	(674)
Reclassification of cumulative translation reserve upon disposal of a subsidiary	30	–	31
Reclassification of cumulative translation reserve upon disposal of an associate		1,595	–
Reclassification of cumulative translation reserve upon disposal of a joint venture		11	–
Other comprehensive income/(expense) for the year, net of tax		1,570	(574)
Profit/(loss) and total comprehensive income/(expense) for the year		55	(2,067)

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 December 2024

	Notes	2024 SGD'000	2023 SGD'000
(Loss)/profit for the year attributable to owners of the Company:			
– from continuing operations		(1,515)	(1,273)
– from discontinued operations		–	13
		(1,515)	(1,260)
Loss for the year attributable to non-controlling interests:			
– from discontinued operations		–	(233)
		(1,515)	(1,493)
Total comprehensive income/(expense) for the year attributable to owners of the Company:			
– from continuing operations		55	(1,841)
– from discontinued operations		–	10
		55	(1,831)
Total comprehensive income/(expense) for the year attributable to non-controlling interests:			
– from discontinued operations		–	(236)
		55	(2,067)
Loss per share attribute to owners of the Company			
From continuing and discontinued operations			
Basic and diluted (SGD cents)	15	(0.18)	(0.15)
From continuing operations			
Basic and diluted (SGD cents)	15	(0.18)	(0.15)

Consolidated Statement of Financial Position

As at 31 December 2024

	Notes	2024 SGD'000	2023 SGD'000
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment	16(a)	3,589	6,065
Right-of-use assets	16(b)	2,885	6,173
Intangible assets	17	–	–
Interests in a joint venture	18	–	–
Interests in an associate	19	–	–
Deposits	21	71	71
Total non-current assets		6,545	12,309
Current assets			
Inventories	20	1,665	1,750
Trade and other receivables	21	5,164	3,877
Cash and cash equivalents	22	5,381	4,874
Total current assets		12,210	10,501
Current liabilities			
Trade and other payables	23	5,817	7,061
Lease liabilities	16(b)	827	1,444
Bank and other borrowings	24	1,349	1,493
Current tax liabilities		373	214
Total current liabilities		8,366	10,212
Net current assets		3,844	289
Total assets less current liabilities		10,389	12,598
Non-current liabilities			
Lease liabilities	16(b)	1,466	2,896
Bank and other borrowings	24	790	2,522
Other payables	23	1,896	998
Deferred tax liabilities	25	–	–
Total non-current liabilities		4,152	6,416
Net assets		6,237	6,182
EQUITY			
Share capital	26	1,497	1,497
Reserves	27	4,740	4,685
Equity attributable to owners of the Company		6,237	6,182
Non-controlling interests		–	–
Total equity		6,237	6,182

Ang Lay Keong (Hong Liqiang)
Director

Hu Wu'an
Director

Consolidated Statement of Changes in Equity

For the Year Ended 31 December 2024

	Total equity attributable to owners of the Company								
	Share capital	Share premium*	Merger reserve*	Other reserve*	Accumulated losses*	Foreign currency exchange reserve*	Total	Non-controlling interests	Total
	SGD'000	SGD'000	SGD'000	SGD'000	SGD'000	SGD'000	SGD'000	SGD'000	SGD'000
	(Note 26)	(Note 27)	(Note 27)	(Note 27)					
Balance as at 1 January 2023	1,497	7,187	2,645	(103)	(2,207)	(1,006)	8,013	338	8,351
Loss for the year	-	-	-	-	(1,260)	-	(1,260)	(233)	(1,493)
Other comprehensive income:									
Exchange differences on translating foreign operations	-	-	-	-	-	72	72	(3)	69
Share of other comprehensive expense of an associate	-	-	-	-	-	(674)	(674)	-	(674)
Reclassification of cumulative translation reserve upon disposal of a subsidiary (Note 30)	-	-	-	-	-	31	31	-	31
Other comprehensive expense for the year	-	-	-	-	-	(571)	(571)	(3)	(574)
Total comprehensive expense for the year	-	-	-	-	(1,260)	(571)	(1,831)	(236)	(2,067)
Disposal of a subsidiary (Note 30)	-	-	-	-	-	-	-	(102)	(102)
Balance as at 31 December 2023 and 1 January 2024	1,497	7,187	2,645	(103)	(3,467)	(1,577)	6,182	-	6,182
Loss for the year	-	-	-	-	(1,515)	-	(1,515)	-	(1,515)
Other comprehensive income:									
Exchange differences on translating foreign operations	-	-	-	-	-	(36)	(36)	-	(36)
Reclassification of cumulative translation reserve upon disposal of a joint venture	-	-	-	-	-	11	11	-	11
Reclassification of cumulative translation reserve upon disposal of an associate	-	-	-	-	-	1,595	1,595	-	1,595
Other comprehensive income for the year	-	-	-	-	-	1,570	1,570	-	1,570
Total comprehensive income/(expense) for the year	-	-	-	-	(1,515)	1,570	55	-	55
Balance as at 31 December 2024	1,497	7,187	2,645	(103)	(4,982)	(7)	6,237	-	6,237

* As at 31 December 2024, the total of these reserves amounted to SGD4,740,000 (2023: SGD4,685,000).

Consolidated Statement of Cash Flows

For the Year Ended 31 December 2024

	Notes	2024 SGD'000	2023 SGD'000
Cash flows from operating activities			
Loss before income tax expense			
– From continuing operations		(1,334)	(1,194)
– From discontinued operations		–	(243)
		(1,334)	(1,437)
Adjustments for:			
Depreciation of property, plant and equipment	16(a)	1,615	1,717
Impairment of interest in an associate		–	918
Depreciation of right-of-use assets	16(b)	1,204	1,848
Gain on disposal of property, plant and equipment		(854)	(278)
Amortisation of intangible assets		–	91
Impairment losses under expected credit loss model on trade receivables, net of reversal		45	47
Impairment losses under expected credit loss model on other receivables, net of reversal		49	(10)
Written-off on property, plant and equipment	16(a)	32	7
Interest expenses		264	366
Interest income		(3)	(12)
Loss on disposal of an associate		1,569	–
Loss on disposal of a joint venture	18	11	–
Gain on disposal of investments in a subsidiary		–	(276)
Share of results of an associate		–	(130)
Operating profit before working capital changes		2,598	2,851
Decrease in inventories		84	190
Increase in trade and other receivables		(1,369)	(880)
Increase in trade and other payables		215	1,029
Cash generated from operations		1,528	3,190
Income taxes paid		(22)	(40)
Interest paid		(88)	(131)
Interest element of lease liabilities paid		(146)	(179)
Net cash generated from operating activities		1,272	2,840

Consolidated Statement of Cash Flows

For the Year Ended 31 December 2024

	Notes	2024 SGD'000	2023 SGD'000
Cash flows from investing activities			
Purchase of property, plant and equipment	16(a)	(403)	(960)
Proceeds from disposal of property, plant and equipment		4,451	1,115
Payments for right-of-use assets		–	(321)
Net cash inflow on disposal of a subsidiary	30	–	660
Dividend received from associate		–	148
Proceed from disposal of an associate		26	–
Interest received		3	12
Net cash generated from investing activities		4,077	654
Cash flows from financing activities	36		
Repayment of bank and other borrowings		(1,876)	(1,454)
Other payables to related companies/parties		(598)	327
Capital element of lease liabilities paid		(2,327)	(2,264)
Net cash used in financing activities		(4,801)	(3,391)
Net increase in cash and cash equivalents		548	103
Cash and cash equivalents at beginning of the year		4,874	4,768
Effect of exchange rate changes on cash and cash equivalents		(41)	3
Cash and cash equivalents at end of the year		5,381	4,874
Analysis of balances of cash and cash equivalents			
Cash at banks and on hand	22	5,381	4,874

Notes to the Consolidated Financial Statements

1. GENERAL INFORMATION

Optima Automobile Group Holdings Limited (the “**Company**”) was incorporated as an exempted company with limited liability in the Cayman Islands on 14 March 2018. The address of its registered office is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, the Cayman Islands. The principal place of business is located at 600 Sin Ming Avenue #03-00 Singapore 575733. On 11 October 2019, the Company’s shares were listed on GEM of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”). The Company and its subsidiaries are together referred to as the Group hereinafter.

The principal activity of the Company is investment holding. The principal activity of the Group is provision of repair and maintenance of motor vehicles, car rental business and supply of passenger car spare parts, accessories and automotive equipment in Singapore and trading of motor vehicles in the People’s Republic of China (the “**PRC**”). The particulars of the Company’s subsidiaries are set out in Note 29. As at 31 December 2024, the immediate holding company of the Company was Red Link International Limited, a limited liability incorporated in the British Virgin Islands. The directors of the Company considered the ultimate holding company to be Red Link International Limited.

These consolidated financial statements were approved and authorised for issue by the board of directors on 26 March 2025.

2. BASIS OF PRESENTATION AND PREPARATION

(a) Basis of presentation

The consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards (“**HKFRSs**”), which collective term includes all individual HKFRSs, Hong Kong Accounting Standards (“**HKASs**”) and related interpretations, issued by the Hong Kong Institute of Certified Public Accountants (the “**HKICPA**”). The consolidated financial statements also comply with the applicable disclosure requirements of the Hong Kong Companies Ordinance and the Rules Governing the Listing of Securities on GEM of the Stock Exchange.

The directors of the Company have, at the time of approving the consolidated financial statements, a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the consolidated financial statements.

The consolidated financial statements are presented in Singapore dollars (“**SGD**”). Items included in the financial statements of each entity within the Group are measured using the currency that best reflects the economic substance of the underlying events and circumstances relevant to that entity (the “**functional currency**”). The functional currency of the Company is SGD. The majority of the Company’s subsidiaries are operating in Singapore and SGD is used as the presentation currency of the Group.

The consolidated financial statements are prepared on the historical cost basis.

Notes to the Consolidated Financial Statements

2. BASIS OF PRESENTATION AND PREPARATION *(Continued)*

(a) Basis of presentation *(Continued)*

It should be noted that accounting estimates and assumptions are used in preparation of the consolidated financial statements. Although these estimates are based on management's best knowledge and judgment of current events and actions, actual results may ultimately differ from those estimates and assumptions. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 5.

3. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs")

(a) Amendments to HKFRSs that are mandatorily effective for the current year

In the current year, the Group has applied the following amendments to HKFRSs issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") 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 HKFRS 16	Lease Liability in a Sale and Leaseback
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020)
Amendments to HKAS 1	Non-current Liabilities with Covenants
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangements

Except as described below, the application of the amendments to HKFRSs in the current year has had no material impact on the Groups' 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

3. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (Continued)

(a) Amendments to HKFRSs that are mandatorily effective for the current year (Continued)

Impacts on application of Amendments to HKAS 1 “Classification of Liabilities as Current or Non-current” and related amendments to Hong Kong Interpretation 5 (2020) (the “2020 Amendments”) and Amendments to HKAS 1 “Non-current Liabilities with Covenants” (the “2022 Amendments”)

The Groups have applied the amendments for the first time in the current year.

The 2020 Amendments provide clarification and additional guidance on the assessment of right to defer settlement for at least twelve months from reporting date for classification of liabilities as current or non-current, which:

- specify that the classification of liabilities as current or non-current should be based on rights that are in existence at the end of the reporting period. Specifically, the classification should not be affected by management intentions or expectations to settle the liability within 12 months.
- clarify that the settlement of a liability can be a transfer of cash, goods or services, or the entity’s own equity instruments to the counterparty. If a liability has terms that could, at the option of the counterparty, result in its settlement by the transfer of the entity’s own equity instruments, these terms do not affect its classification as current or non-current only if the entity recognises the option separately as an equity instrument applying HKAS 32 “Financial Instruments: Presentation”.

For rights to defer settlement for at least twelve months from reporting date which are conditional on the compliance with covenants, the 2022 Amendments specifically clarify that only covenants that an entity is required to comply with on or before the end of the reporting period affect the entity’s right to defer settlement of a liability for at least twelve months after the reporting date, even if compliance with the covenant is assessed only after the reporting date. The 2022 Amendments also specify that covenants with which an entity must comply after the reporting date (i.e. future covenants) do not affect the classification of a liability as current or non-current at the reporting date. However, if the entity’s right to defer settlement of a liability is subject to the entity complying with covenants within twelve months after the reporting period, an entity discloses information that enables users of financial statements to understand the risk of the liabilities becoming repayable within twelve months after the reporting period. This would include information about the covenants, the carrying amount of related liabilities and facts and circumstances, if any, that indicate that the entity may have difficulties complying with the covenants.

In accordance with the transition provision, the Groups have applied the new accounting policy to the classification of liability as current or non-current retrospectively. The application of the amendments in the current year had no material impact on the consolidated financial statements.

Notes to the Consolidated Financial Statements

3. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) *(Continued)*

(b) New and amendments to HKFRSs in issue but not yet effective

The Group has not early applied the following new and amendments to HKFRSs that have been issued but are not yet effective:

Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ¹
Amendments to HKAS 21	Lack of Exchangeability ²
Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments ³
Amendments to HKFRS Accounting Standards	Annual Improvements to HKFRS Accounting Standards – Volume 11 ³
HKFRS 18	Presentation and Disclosure in Financial Statements ⁴
HKFRS 19	Subsidiaries without Public Accountability: Disclosure 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.

4. MATERIAL ACCOUNTING POLICIES

(a) Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company and its subsidiaries. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The 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 listed above.

Notes to the Consolidated Financial Statements

4. MATERIAL ACCOUNTING POLICIES *(Continued)*

(a) Basis of consolidation *(Continued)*

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

- the size of the Group's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Group, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Group has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income/consolidated statement of profit or loss from the date the Group gains control until the date when the Group ceases to control the subsidiary.

Profit or loss and each item of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is 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.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Non-controlling interests in subsidiaries are presented separately from the Group's equity therein, which represent present ownership interests entitling their holders to a proportionate share of net assets of the relevant subsidiaries upon liquidation.

Notes to the Consolidated Financial Statements

4. MATERIAL ACCOUNTING POLICIES *(Continued)*

(a) Basis of consolidation *(Continued)*

(i) *Changes in the Group's interests in existing subsidiaries*

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 non-controlling 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.

When the Group loses control of a subsidiary, the assets and liabilities of that subsidiary and non-controlling interests (if any) are derecognised. A gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the carrying amount of the assets (including goodwill), and liabilities of the subsidiary attributable to the owners of the Company. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable HKFRSs). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under HKFRS 9 Financial Instruments or, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

(b) Investments in associates and joint ventures

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

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

Notes to the Consolidated Financial Statements

4. MATERIAL ACCOUNTING POLICIES *(Continued)*

(b) Investments in associates and joint ventures *(Continued)*

The results and assets and liabilities of associates and joint ventures are incorporated in these consolidated financial statements using the equity method of accounting. The financial statements of associates and joint ventures used for equity accounting purposes are prepared using uniform accounting policies as those of the Group for like transactions and events in similar circumstances. Under the equity method, an investment in an associate or a joint venture is initially recognised in the consolidated statement of financial position at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associate or joint venture. Changes in net assets of the associate/joint venture other than profit or loss and other comprehensive income are not accounted for unless such changes resulted in changes in ownership interest held by the Group. When the Group's share of losses of an associate or joint venture exceeds the Group's interest in that associate or joint venture (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate or joint venture), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture.

An investment in an associate or a joint venture is accounted for using the equity method from the date on which the investee becomes an associate or a joint venture. On acquisition of the investment in an associate or a joint venture, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised immediately in profit or loss in the period in which the investment is acquired.

The Group assesses whether there is an objective evidence that the interest in an associate or a joint venture may be impaired. When any objective evidence exists, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with HKAS 36 as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount. Any impairment loss recognised is not allocated to any asset, including goodwill, that forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with HKAS 36 to the extent that the recoverable amount of the investment subsequently increases.

When the Group ceases to have significant influence over an associate or joint control over a joint venture, it is accounted for as a disposal of the entire interest in the investee with a resulting gain or loss being recognised in profit or loss.

Notes to the Consolidated Financial Statements

4. MATERIAL ACCOUNTING POLICIES *(Continued)*

(c) Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses, if any.

The cost of property, plant and equipment includes its purchase price and the costs directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are recognised as expense in profit or loss during the reporting period in which they are incurred.

Property, plant and equipment are depreciated so as to write off their cost net of expected residual value over their estimated useful lives on a straight-line basis. The useful lives, residual value and depreciation method are reviewed, and adjusted if appropriate, at the end of each reporting period. The estimated useful lives are as follows:

Land and buildings	20 years
Computer	3 years
Furniture and fittings	2 to 5 years
Machine equipment	2 to 10 years
Motor vehicles	3 to 10 years
Office equipment	3 years
Leasehold improvements	Over the shorter of remaining life of the leases but not exceeding 3 years

An asset is written down immediately to its recoverable amount if its carrying amount is higher than the asset's estimated recoverable amount.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from the continued use of the asset.

The gain or loss on disposal of an item of property, plant and equipment is the difference between the net sale proceeds and its carrying amount, and is recognised in profit or loss on disposal.

Notes to the Consolidated Financial Statements

4. MATERIAL ACCOUNTING POLICIES *(Continued)*

(d) Intangible assets

(i) **Goodwill**

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business (see the accounting policy above) less accumulated impairment losses, if any.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units (or group of cash-generating units) that is expected to benefit from the synergies of the combination, which represent the lowest level at which the goodwill is monitored for internal management purposes and not larger than an operating segment.

A cash-generating unit (or group of cash-generating units) to which goodwill has been allocated is tested for impairment annually or more frequently when there is indication that the unit may be impaired. For goodwill arising on an acquisition in a reporting period, the cash-generating unit (or group of cash-generating units) to which goodwill has been allocated is tested for impairment before the end of that reporting period. If the recoverable amount is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill and then to the other assets on a pro-rata basis based on the carrying amount of each asset in the unit (or group of cash-generating units).

On disposal of the relevant cash-generating unit or any of the cash-generating unit within the group of cash-generating units, the attributable amount of goodwill is included in the determination of the amount of profit or loss on disposal. When the Group disposes of an operation within the cash-generating unit (or a cash-generating unit within a group of cash-generating units), the amount of goodwill disposed of is measured on the basis of the relative values of the operation (or the cash-generating unit) disposed of and the portion of the cash-generating unit (or the group of cash-generating units) retained.

(ii) **Acquired intangible assets**

Intangible assets acquired separately are initially recognised at cost. The cost of intangible assets acquired in a business combination is fair value at the date of acquisition. Subsequently, intangible assets with finite useful lives are carried at cost less accumulated amortisation and any impairment losses.

Amortisation is recognised in profit or loss and is provided on straight-line method over their estimated useful lives as follows.

Software development system

5 years

Notes to the Consolidated Financial Statements

4. MATERIAL ACCOUNTING POLICIES *(Continued)*

(d) Intangible assets *(Continued)*

(iii) Impairment

Intangible assets with finite lives are tested for impairment when there is an indication that an asset may be impaired. Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment annually, irrespective of whether there is any indication that they may be impaired. Intangible assets are tested for impairment by comparing their carrying amounts with their recoverable amounts (see Note 4(l)).

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately.

When an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount; however, the carrying amount should not be increased above the lower of its recoverable amount and the carrying amount that would have resulted had no impairment loss been recognised for the asset in prior years. All reversals are recognised in profit or loss immediately.

(e) Leases

Definition of 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.

For contracts entered into or modified on or after the date of initial application of HKFRS 16 or arising from business combinations, the Group assesses whether a contract is or contains a lease based on the definition under HKFRS 16 at inception, modification date or acquisition date, as appropriate. Such contract will not be reassessed unless the terms and conditions of the contract are subsequently changed.

The Group as a lessee

Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to leases of properties that have a lease term of 12 months or less from the commencement date and do not contain a purchase option. It also applies the recognition exemption for lease of low-value assets. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis or another systematic basis over the lease term.

Notes to the Consolidated Financial Statements

4. MATERIAL ACCOUNTING POLICIES *(Continued)*

(e) Leases *(Continued)*

The Group as a lessee (Continued)

Right-of-use assets

The cost of right-of-use asset includes:

- the amount of the initial measurement of the lease liability;
- any lease payments made at or before the commencement date, less any lease incentives received;
- any initial direct costs incurred by the Group; and
- an estimate of costs to be incurred by the Group in dismantling and removing the underlying assets, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease, unless those costs are incurred to produce inventories.

Right-of-use assets in which the Group is reasonably certain to obtain ownership of the underlying leased assets at the end of the lease term are depreciated from commencement date to the end of the useful life. Otherwise, right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term.

The Group presents right-of-use assets as a separate line item on the consolidated statement of financial position.

Refundable rental deposits

Refundable rental deposits paid are accounted under HKFRS 9 and initially measured at fair value. Adjustments to fair value at initial recognition are considered as additional lease payments and included in the cost of right-of-use assets.

Lease liabilities

At the commencement date of a lease, the Group recognises and measures the lease liability at the present value of lease payments that are unpaid at that date. In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable.

Notes to the Consolidated Financial Statements

4. MATERIAL ACCOUNTING POLICIES *(Continued)*

(e) Leases *(Continued)*

The Group as a lessee (Continued)

Lease liabilities (Continued)

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, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable by the Group under residual value guarantees;
- the exercise price of a purchase option if the Group is reasonably certain to exercise the option; and
- payments of penalties for terminating a lease, if the lease term reflects the Group exercising an option to terminate the lease.

Variable lease payments that reflect changes in market rental rates are initially measured using the market rental rates as at the commencement date. Variable lease payments that do not depend on an index or a rate are not included in the measurement of lease liabilities and right-of-use assets, and are recognised as expense in the period in which the event or condition that triggers the payment occurs.

After the commencement date, lease liabilities are adjusted by interest accretion and lease payments.

The Group remeasures lease liabilities (and makes a corresponding adjustment to the related right-of-use assets) whenever:

- the lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the related lease liability is remeasured by discounting the revised lease payments using a revised discount rate at the date of reassessment.
- the lease payments change due to changes in market rental rates following a market rent review in which cases the related lease liability is remeasured by discounting the revised lease payments using the initial discount rate.

The Group presents lease liabilities as a separate line item on the consolidated statement of financial position.

Notes to the Consolidated Financial Statements

4. MATERIAL ACCOUNTING POLICIES *(Continued)*

(e) Leases *(Continued)*

The Group as a lessee (Continued)

Lease modifications

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

- the modification increases the scope of the lease by adding the right to use one or more underlying assets; and
- the consideration for the leases increases by 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 based 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 asset. When the modified contract contains a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the modified contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

The Group as a lessor

Classification and measurement of leases

Leases for which the Group is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards incidental to ownership of an underlying asset to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

Leases for which the Group is a lessor are all classified as operating leases for the reporting periods.

Notes to the Consolidated Financial Statements

4. MATERIAL ACCOUNTING POLICIES *(Continued)*

(e) Leases *(Continued)*

The Group as a lessor (Continued)

Classification and measurement of leases (Continued)

Rental income from operating leases is recognised in profit or loss on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset, and such costs are recognised as an expense on a straight-line basis over the lease term. Variable lease payments for operating leases that depend on an index or a rate are estimated and included in the total lease payments to be recognised on a straight-line basis over the lease term. Variable lease payments that do not depend on an index or a rate are recognised as income when they arise.

Rental income which is derived from the Group's ordinary course of business is presented as other income.

Allocation of consideration to components of a contract

When a contract includes both leases and non-lease components, the Group applies HKFRS 15 Revenue from Contracts with Customers ("**HKFRS 15**") to allocate consideration in a contract to lease and non-lease components. Non-lease components are separated from lease component on the basis of their relative stand-alone selling prices.

Refundable rental deposits

Refundable rental deposits received are accounted for under HKFRS 9 and initially measured at fair value. Adjustments to fair value at initial recognition are considered as additional lease payments from lessees.

Lease modification

Changes in considerations of lease contracts that were not part of the original terms and conditions are accounted for as lease modifications, including lease incentives provided through forgiveness or reduction of rentals.

The Group accounts for a modification to an operating lease as a new lease from the effective date of the modification, considering any prepaid or accrued lease payments relating to the original lease as part of the lease payments for the new lease.

Notes to the Consolidated Financial Statements

4. MATERIAL ACCOUNTING POLICIES *(Continued)*

(f) Inventories

Inventories are initially recognised at cost, and subsequently at the lower of cost and net realisable value. Cost comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. Cost is calculated using the first-in-first-out method for automotive business in Singapore and the PRC and weighted average method is used for education business in the PRC. Net realisable value represents the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

(g) Financial instruments

Financial assets and financial liabilities are recognised when a group entity becomes a party to the contractual provisions of the instrument. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the market place.

Financial assets and financial liabilities are initially measured at fair value except for trade receivables arising from contracts with customers which are initially measured in accordance with HKFRS 15. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets or financial liabilities at fair value through profit or loss ("FVTPL")) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognised immediately in profit or loss.

The effective interest method is a method of calculating the amortised cost of a financial asset or financial liability and of allocating interest income and interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts and payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset or financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Interest income which are derived from the Group's ordinary course of business are presented as revenue.

Notes to the Consolidated Financial Statements

4. MATERIAL ACCOUNTING POLICIES *(Continued)*

(g) Financial instruments *(Continued)*

Financial assets

Classification and subsequent measurement of financial assets

Financial assets that meet the following conditions are subsequently measured at amortised cost:

- the financial asset is held within a business model whose objective is to collect contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets that meet the following conditions are subsequently measured at fair value through other comprehensive income ("FVTOCI"):

- the financial asset is held within a business model whose objective is achieved by both selling financial assets and collecting contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All other financial assets are subsequently measured at FVTPL, except that at the date of initial recognition of a financial asset the Group may irrevocably elect to present subsequent changes in fair value of an equity investment in other comprehensive income if that equity investment is neither held for trading nor contingent consideration recognised by an acquirer in a business combination to which HKFRS 3 Business Combinations applies.

A financial asset is held for trading if:

- it has been acquired principally for the purpose of selling in the near term; or
- on initial recognition it is a part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

In addition, the Group may irrevocably designate a financial asset that are required to be measured at the amortised cost as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch.

Notes to the Consolidated Financial Statements

4. MATERIAL ACCOUNTING POLICIES *(Continued)*

(g) Financial instruments *(Continued)*

Financial assets *(Continued)*

Classification and subsequent measurement of financial assets (Continued)

(i) Amortised cost and interest income

Interest income is recognised using the effective interest method for financial assets measured subsequently at amortised cost. For financial instruments other than purchased or originated credit-impaired financial assets, interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired (see below). For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset from the next reporting period. If the credit risk on the credit impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset from the beginning of the reporting period following the determination that the asset is no longer credit-impaired.

(ii) Debt instruments/receivables classified as at FVTOCI

Subsequent changes in the carrying amounts for debt instruments/receivables classified as at FVTOCI as a result of interest income calculated using the effective interest method, and foreign exchange gains and losses are recognised in profit or loss. All other changes in the carrying amount of these debt instruments/receivables are recognised in other comprehensive income and accumulated under the heading of FVTOCI reserve. Impairment allowances are recognised in profit or loss with corresponding adjustment to other comprehensive income without reducing the carrying amounts of these debt instruments/receivables. When these debt instruments/receivables are derecognised, the cumulative gains or losses previously recognised in other comprehensive income are reclassified to profit or loss.

(iii) Financial assets at FVTPL

Financial assets that do not meet the criteria for being measured at amortised cost or FVTOCI or designated as FVTOCI are measured at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognised in profit or loss.

Notes to the Consolidated Financial Statements

4. MATERIAL ACCOUNTING POLICIES *(Continued)*

(g) Financial instruments *(Continued)*

Financial assets *(Continued)*

Impairment of financial assets subject to impairment assessment under HKFRS 9

The Group performs impairment assessment under expected credit loss (“**ECL**”) model on financial assets (including trade and other receivables, contract assets and bank balances), which are subject to impairment under HKFRS 9. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition.

Lifetime ECL represents the ECL that will result from all possible default events over the expected life of the relevant instrument. In contrast, 12-month ECL (“**12m ECL**”) represents the portion of lifetime ECL that is expected to result from default events that are possible within 12 months after the reporting date. Assessments are done based on the Group’s historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current conditions at the reporting date as well as the forecast of future conditions.

The Group always recognises lifetime ECL for trade receivables. The ECL on these assets are assessed collectively using a provision matrix with appropriate groupings.

For all other instruments, the Group measures the loss allowance equal to 12m ECL, unless when there has been a significant increase in credit risk since initial recognition, in which case the Group recognises lifetime ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition.

Notes to the Consolidated Financial Statements

4. MATERIAL ACCOUNTING POLICIES *(Continued)*

(g) Financial instruments *(Continued)*

Financial assets *(Continued)*

Impairment of financial assets subject to impairment assessment under HKFRS 9 (Continued)

(i) Significant increase in credit risk

In assessing whether the credit risk has increased significantly since initial recognition, 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. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly:

- an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;
- significant deterioration in external market indicators of credit risk, e.g. a significant increase in the credit spread, the credit default swap prices for the debtor;
- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- an actual or expected significant deterioration in the operating results of the debtor;
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

Notes to the Consolidated Financial Statements

4. MATERIAL ACCOUNTING POLICIES *(Continued)*

(g) Financial instruments *(Continued)*

Financial assets *(Continued)*

Impairment of financial assets subject to impairment assessment under HKFRS 9 (Continued)

(ii) Definition of default

For internal credit risk management, the Group considers an event of default occurs when information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collaterals held by the Group).

Irrespective of the above, the Group considers that default has occurred when a financial asset is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

(iii) Credit-impaired financial assets

A financial asset is credit-impaired when one or more events of default that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit impaired includes observable data about the following events:

- (a) significant financial difficulty of the issuer or the borrower;
- (b) a breach of contract, such as a default or past due event;
- (c) the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;
- (d) it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation;
- (e) the disappearance of an active market for that financial asset because of financial difficulties; or
- (f) the purchase or origination of a financial asset at a deep discount that reflects the incurred credit losses.

Notes to the Consolidated Financial Statements

4. MATERIAL ACCOUNTING POLICIES *(Continued)*

(g) Financial instruments *(Continued)*

Financial assets *(Continued)*

Impairment of financial assets subject to impairment assessment under HKFRS 9 (Continued)

(iv) Write-off policy

The Group writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. A write-off constitutes a derecognition event. Any subsequent recoveries are recognised in profit or loss.

(v) Measurement and recognition of ECL

The measurement of ECL is a function of the probability of default ("PD"), loss given default ("LGD") (i.e. the magnitude of the loss if there is a default) and the exposure at default ("EAD"). The assessment of the PD and LGD is based on historical data and forward-looking information. Estimation of ECL reflects an unbiased and probability-weighted amount that is determined with the respective risks of default occurring as the weights. The Group uses a practical expedient in estimating ECL on trade receivables using a provision matrix taking into consideration historical credit loss experience, adjusted for forward looking information that is available without undue cost or effort.

Generally, the ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and the cash flows that the Group expects to receive, discounted at the effective interest rate determined at initial recognition.

Lifetime ECL for trade receivables and other receivables are considered on a collective basis taking into consideration past due information and relevant credit information such as forward looking macroeconomic information.

For collective assessment, the Group takes into consideration the following characteristics when formulating the grouping:

- Past-due status;
- Nature, size and industry of debtors; and
- External credit ratings where available.

Notes to the Consolidated Financial Statements

4. MATERIAL ACCOUNTING POLICIES *(Continued)*

(g) Financial instruments *(Continued)*

Financial assets *(Continued)*

Impairment of financial assets subject to impairment assessment under HKFRS 9 (Continued)

(v) Measurement and recognition of ECL *(Continued)*

The grouping is regularly reviewed by management to ensure the constituents of each group continue to share similar credit risk characteristics.

Interest income is calculated based on the gross carrying amount of the financial asset unless the financial asset is credit impaired, in which case interest income is calculated based on amortised cost of the financial asset.

Foreign exchange gains and losses

The carrying amount of financial assets that are denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period. Specifically:

- For financial assets measured at amortised cost that are not part of a designated hedging relationship, exchange differences are recognised in profit or loss in the 'Other income and gains' line item (note 8) as part of the net foreign exchange gains or losses;
- For debt instruments measured at FVTOCI that are not part of a designated hedging relationship, exchange differences on the amortised cost of the debt instrument are recognised in profit or loss in the 'Other income and gains' line item (note 8) as part of the net foreign exchange gains or losses. As the foreign currency element recognised in profit or loss is the same as if it was measured at amortised cost, the residual foreign currency element based on the translation of the carrying amount (at fair value) is recognised in other comprehensive income in the fair value through other comprehensive income;
- For financial assets measured at FVTPL that are not part of a designated hedging relationship, exchange differences are recognised in profit or loss in the 'Other gains and losses' line item as part of the gain or loss from changes in fair value of financial assets (note 8);
- For equity instruments measured at FVTOCI, exchange differences are recognised in other comprehensive income in the fair value through other comprehensive income.

Notes to the Consolidated Financial Statements

4. MATERIAL ACCOUNTING POLICIES *(Continued)*

(g) Financial instruments *(Continued)*

Financial assets *(Continued)*

Derecognition/modification of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralized borrowing for the proceeds received.

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

A modification of a financial asset occurs if the contractual cash flows are renegotiated or otherwise modified.

When the contractual terms of a financial asset are modified, the Group assesses whether the revised terms result in a substantial modification from original terms taking into account all relevant facts and circumstances including qualitative factors. If qualitative assessment is not conclusive, the Group considers the terms are substantially different if the discounted present value of the cash flows under the new terms, including any fees paid net of any fees received, and discounted using the original effective interest rate, is at least 10 per cent different from the discounted present value of the remaining cash flows of the original financial asset, after reducing gross carrying amount that has been written off.

For non-substantial modifications of financial assets that do not result in derecognition, the carrying amount of the relevant financial assets will be calculated at the present value of the modified contractual cash flows discounted at the financial assets' original effective interest rate. Transaction costs or fees incurred are adjusted to the carrying amount of the modified financial assets and are amortised over the remaining term. Any adjustment to the carrying amount of the financial asset is recognised in profit or loss at the date of modification.

Notes to the Consolidated Financial Statements

4. MATERIAL ACCOUNTING POLICIES *(Continued)*

(g) Financial instruments *(Continued)*

Financial liabilities and equity

Classification as debt or equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

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

Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is (i) held for trading or (ii) it is designated as at FVTPL.

A financial liability is held for trading if:

- it has been acquired principally for the purpose of repurchasing it in the near term; or
- on initial recognition it is a part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative, except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument.

Notes to the Consolidated Financial Statements

4. MATERIAL ACCOUNTING POLICIES *(Continued)*

(g) Financial instruments *(Continued)*

Financial liabilities and equity *(Continued)*

Financial liabilities at FVTPL (Continued)

A financial liability other than a financial liability held for trading may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Group's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and HKFRS 9 permits the entire combined contract (asset or liability) to be designated as at FVTPL.

For financial liabilities that are designated as at FVTPL, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is recognised in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. For financial liabilities that contain embedded derivatives, such as convertible bond, the changes in fair value of the embedded derivatives are excluded in determining the amount to be presented in other comprehensive income. Changes in fair value attributable to a financial liability's credit risk that are recognised in other comprehensive income are not subsequently reclassified to profit or loss; instead, they are transferred to retained profits upon derecognition of the financial liability.

Financial liabilities at amortised cost

Financial liabilities including trade and other payables, bank and other borrowings, lease liabilities are subsequently measured at amortised cost, using the effective interest method.

(h) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, demand deposits and short-term, highly liquid investments with original maturities of three months or less that are readily convertible into known amount of cash and which are subject to an insignificant risk of changes in value.

Notes to the Consolidated Financial Statements

4. MATERIAL ACCOUNTING POLICIES *(Continued)*

(i) Foreign currencies

In preparing the financial statements of each individual group entity, transactions in currencies other than the functional currency of that entity (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of the reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date.

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are recognised in profit or loss in the period in which they arise.

For the purposes of presenting the consolidated financial statements, the assets and liabilities of the Group's operations are translated into the presentation currency of the Group (i.e. SGD) using exchange rates prevailing at the end of each reporting period. Income and expenses items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during the period, in which case the exchange rates at the date of transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity under the heading of share of differences arising on translation (attributed to non-controlling interests as appropriate).

(j) Employee benefits

(i) *Short-term employee benefits*

Short-term employee benefits are employee benefits (other than termination benefits) that are expected to be settled wholly before twelve months after the end of the annual reporting period in which the employees render the related service. Short-term employee benefits are recognised in the year when the employees render the related service.

(ii) *Defined contribution retirement plan*

Contributions to defined contribution retirement plans are recognised as an expense in profit or loss when the services are rendered by the employees. Defined contribution retirement plans are post-employment benefit plans under which the Group pays fixed contributions into separate entities such as the Central Provident Fund on a mandatory, contractual or voluntary basis. The Group has no further payment obligations once the contributions have been paid.

(iii) *Termination benefits*

A liability for a termination benefit is recognised at the earlier of when the Group entity can no longer withdraw the offer of the termination benefit and when it recognises any related restructuring cost.

Notes to the Consolidated Financial Statements

4. MATERIAL ACCOUNTING POLICIES *(Continued)*

(k) Provisions and contingent liabilities

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

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (where the effect of the time value of money is material).

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

(l) Impairment of assets (other than financial assets)

At the end of each reporting period, the Group reviews the carrying amounts of its property, plant and equipment, right-of-use assets and investment in subsidiaries to determine whether there is any indication that those assets have suffered an impairment loss or an impairment loss previously recognised no longer exists or may have decreased.

If the recoverable amount (i.e. the greater of the fair value less costs of disposal and value-in-use) of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised as income immediately.

(m) Government grants

Government grants receivable are recognised as income over the periods necessary to match them with related costs which they are intended to compensate, on a systematic basis. Government grants relating to expenses are shown separately as other income.

(n) Capitalisation of borrowing costs

Borrowing costs attributable directly to the acquisition, construction or production of qualifying assets which require a substantial period of time to be ready for their intended use or sale, are capitalised as part of the cost of those assets. Income earned on temporary investments of specific borrowings pending their expenditure on those assets is deducted from borrowing costs capitalised. All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

Notes to the Consolidated Financial Statements

4. MATERIAL ACCOUNTING POLICIES *(Continued)*

(o) Revenue recognition

Revenue is recognised to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. Specifically, the Group uses a 5-step approach to revenue recognition.

Step 1: Identify the contract(s) with a customer

Step 2: Identify the performance obligations in the contract

Step 3: Determine the transaction price

Step 4: Allocate the transaction price to the performance obligations in the contract

Step 5: Recognise revenue when (or as) the Group satisfies a performance obligation

The Group recognises revenue when (or as) a performance obligation is satisfied (i.e. when control of the goods or services underlying in particular performance obligation is transferred to customers).

Control of the goods or services may be transferred over time or at a point in time. Control of the goods or services is transferred over time if:

- the customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs;
- the Group's performance creates and enhances an asset that the customer controls as the Group performs; or
- the Group's performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

If control of the goods or services transfers over time, revenue is recognised over the period of the contract by reference to progress towards complete satisfaction of that performance obligation. Otherwise, revenue is recognised at a point in time when the customer obtains control of the goods or services.

Where the contract contains a financing component which provides a significant financing benefit to the customer for more than 12 months, 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 with the customer, and interest income is accrued separately under the effective interest method. Where the contract contains a financing component which provides a significant financing benefit to the Group, revenue recognised under that contract includes the interest expense accreted on the contract liability under the effective interest method. The Group takes advantage of the practical expedient in paragraph 63 of HKFRS 15 and does not adjust the consideration for any effects of a significant financing component if the period of financing is 12 months or less.

Notes to the Consolidated Financial Statements

4. MATERIAL ACCOUNTING POLICIES *(Continued)*

(o) Revenue recognition *(Continued)*

The likelihood of the Group earning contractual bonuses for early completion or suffering contractual penalties for late completion are taken into account in making estimates, such that revenue is only recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur.

- (i) Service income from the provision of repair and maintenance of motor vehicles is recognised over time as the Group satisfies its performance obligation.
- (ii) Rental income under operating leases is recognised on a straight-line basis over the term of the relevant leases (Note 4(e)).
- (iii) Warranty income under warranty programme entered into by a customer with an insurance company of which the Group is the designated service workshop, the warranty income is recognised over time as the Group satisfies its performance obligation.
- (iv) Income from automotive supply business is recognised when the control of the goods is transferred to customers, being when the products are accepted by the customers. There was no unfulfilled obligation that could affect the customers' acceptance of the products. Fee income for licensing computer software inbuilt in the automotive equipment is recognised when the control of the goods is transferred to customers.
- (v) Education platform service income is recognised as revenue over time for services rendered over the service period on a straight-line basis. For the hardware and equipment supplied in relation to the education platform service, the income is recognised at the point in time when the control of the goods is transferred to customers.

(p) Taxation

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

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

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

Notes to the Consolidated Financial Statements

4. MATERIAL ACCOUNTING POLICIES *(Continued)*

(p) **Taxation** *(Continued)*

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and interests in associates and a joint venture, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

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

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

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

For the purposes of measuring deferred tax for leasing transactions in which the Group recognises the right-of-use assets and the related lease liabilities, the Group first determines whether the tax deductions are attributable to the right-of-use assets or the lease liabilities.

For leasing transactions in which the tax deductions are attributable to the lease liabilities, the Group applies HKAS 12 Income Taxes requirements to right-of-use assets and lease liabilities separately. Temporary differences on initial recognition of the relevant right-of-use assets and lease liabilities are not recognised due to application of the initial recognition exemption. Temporary differences arising from subsequent revision to the carrying amounts of right-of-use assets and lease liabilities, resulting from remeasurement of lease liabilities and lease modifications, that are not subject to initial recognition exemption are recognised on the date of remeasurement or modification.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied to the same taxation authority. Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

Notes to the Consolidated Financial Statements

4. MATERIAL ACCOUNTING POLICIES *(Continued)*

(q) Related parties

- (a) A person or a close member of that person's family is related to the Group if that person:
 - (i) has control or joint control over the Group;
 - (ii) has significant influence over the Group; or
 - (iii) is a member of key management personnel of the Group or the Company's parent.
- (b) An entity is related to the Group if any of the following conditions apply:
 - (i) The entity and the Group are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
 - (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
 - (iii) Both entities are joint ventures of the same third party.
 - (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
 - (v) The entity is a post-employment benefit plan for the benefit of the employees of the Group or an entity related to the Group.
 - (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 key management personnel of the entity (or of a parent of the entity).
 - (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 group's parent.

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity and include:

- (i) that person's children and spouse or domestic partner;
- (ii) children of that person's spouse or domestic partner; and
- (iii) dependents of that person or that person's spouse or domestic partner.

Notes to the Consolidated Financial Statements

5. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, the directors are required to make judgments, 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 ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

(i) Impairment of trade and other receivables

Management determines impairment of trade and other receivables on a regular basis. A considerable amount of judgment is required in assessing the ultimate realisation of these receivables, including the current creditworthiness and the past collection history of each debtor. If the financial conditions of its debtors were to deteriorate, resulting in an impairment of their ability to make payments, additional impairment may be required. Further information on the impairment of trade and other receivables is included in Note 21.

(ii) Impairment of non-financial assets

The Group conducts impairment reviews of assets when events or changes in circumstances indicate that their carrying amounts may not be recoverable in accordance with relevant accounting policies. Impairment loss is recognised when the carrying amount of an asset is lower than the greater of the fair value less costs of disposal and value-in-use. In determining the value-in-use, management assesses the present value of the estimated future cash flows expected to arise from the continuing use of the asset and from its disposal at the end of its useful life. Estimates and judgments are applied in determining these future cash flows and the discount rate.

Notes to the Consolidated Financial Statements

6. SEGMENT INFORMATION

The executive directors of the Company, who are the chief operating decision-makers of the Group, review the Group's internal reporting in order to assess performance and allocate resources. Management has determined the operating segments based on reports reviewed by the executive directors of the Company that are used to make strategic decisions.

During the year ended 31 December 2023, the Group identified its education business service as discontinued operations upon disposal of Hunan Maliang Digital Technology Co., Ltd. 湖南馬良數碼科技股份有限公司 (the "Maliang") on 26 December 2023, which is further disclosed in note 12 and 30.

The Group has four reportable segments including one discontinued segment during the year ended 31 December 2023. During the year ended 31 December 2024, there are three reportable segments after the disposal of the education business segment in 2023. The segments are managed separately as each business offers different services and requires different business strategies.

The following summary describes the operations in each of the Group's reportable segments:

Continuing operations:

- After-market automotive services – inspection, repair services and maintenance
- Car rental services – provision of car rental services
- Automotive supply business – trading of motor vehicles and supply of passenger car spare parts, accessories and automotive equipment

Discontinued operations:

- Education business – sale of hardware and equipment, data collection and provision of management platform service relating to education business

Segment performance is evaluated based on reportable segment profit or loss, which is a measure of adjusted profit or loss before income tax. The adjusted profit or loss before income tax is measured consistently with the Group's profit or loss before income tax except that unallocated other income and gains, staff costs, finance costs, as well as corporate expenses are excluded from such measurement.

Segment assets included all assets but excluded certain property, plant and equipment and right-of-use assets, as well as corporate assets not directly attributable to the business activities of any operating segment.

Notes to the Consolidated Financial Statements

6. SEGMENT INFORMATION *(Continued)*

Segment liabilities included all liabilities but excluded current and deferred tax liabilities, certain lease liabilities and corporate liabilities not directly attributable to the business activities of any operating segment.

(a) Business segment

For the year ended 31 December 2024

	Continuing operations				Discontinued operations		
	After-market automotive services SGD'000	Car rental services SGD'000	Automotive supply business SGD'000	Subtotal SGD'000	Education business service SGD'000	Adjustments and eliminations SGD'000	Total SGD'000
Segment revenue							
Revenue from external customers	14,842	3,313	69,684	87,839	-	-	87,839
Inter-segment sales	126	-	-	126	-	(126)	-
	14,968	3,313	69,684	87,965	-	(126)	87,839
Segment profit	4,558	1,439	721	6,718	-	-	6,718
Other income and gains							232
Unallocated staff costs							(3,429)
Unallocated corporate expenses							(3,162)
Unallocated finance costs							(113)
Loss on disposal of an associate							(1,569)
Loss on disposal of a joint venture							(11)
Loss before income tax expense							(1,334)
Other segment information							
Unallocated depreciation							(564)
Unallocated income tax							(181)

Notes to the Consolidated Financial Statements

6. SEGMENT INFORMATION *(Continued)*

(a) Business segment *(Continued)*

For the year ended 31 December 2023

	Continuing operations				Discontinued operations		
	After-market automotive services SGD'000	Car rental services SGD'000	Automotive supply business SGD'000	Subtotal SGD'000	Education business service SGD'000	Adjustments and eliminations SGD'000	Total SGD'000
Segment revenue							
Revenue from external customers	13,618	4,069	87,379	105,066	195	–	105,261
Inter-segment sales	146	–	–	146	–	(146)	–
	13,764	4,069	87,379	105,212	195	(146)	105,261
Segment profit/(loss)	3,240	1,067	1,127	5,434	(519)	–	4,915
Other income and gains							283
Share of results of an associate	130	–	–	130	–	–	130
Unallocated staff costs							(2,338)
Unallocated corporate expenses							(4,498)
Unallocated finance costs							(205)
Gain on disposal of a subsidiary							276
Loss before income tax expense							(1,437)
Other segment information							
Unallocated depreciation							(1,056)
Unallocated income tax							(56)

Notes to the Consolidated Financial Statements

6. SEGMENT INFORMATION *(Continued)*

(a) Business segment *(Continued)*

As at 31 December 2024

	Continuing operations				Discontinued operations	
	After-market automotive services SGD'000	Car rental services SGD'000	Automotive supply business SGD'000	Subtotal SGD'000	Education business service SGD'000	Total SGD'000
Segment assets	4,251	4,358	1,803	10,412	–	10,412
Unallocated property, plant and equipment						30
Unallocated right-of-use assets						1,407
Unallocated cash and cash equivalents						5,381
Unallocated corporate assets						1,525
Total assets						18,755
	Continuing operations				Discontinued operations	
	After-market automotive services SGD'000	Car rental services SGD'000	Automotive supply business SGD'000	Subtotal SGD'000	Education business service SGD'000	Total SGD'000
Segment liabilities	1,115	1,468	1,098	3,681	–	3,681
Current tax liabilities						373
Unallocated bank borrowings						1,708
Unallocated lease liabilities						1,483
Unallocated corporate liabilities						5,273
Total liabilities						12,518

Notes to the Consolidated Financial Statements

6. SEGMENT INFORMATION *(Continued)*

(a) Business segment *(Continued)*

As at 31 December 2023

	Continuing operations				Discontinued operations	
	After-market automotive services SGD'000	Car rental services SGD'000	Automotive supply business SGD'000	Subtotal SGD'000	Education business service SGD'000	Total SGD'000
Segment assets	4,971	9,380	558	14,909	–	14,909
Unallocated property, plant and equipment						41
Unallocated right-of-use assets						1,651
Unallocated cash and cash equivalents						4,874
Unallocated corporate assets						1,335
Total assets						22,810

	Continuing operations				Discontinued operations	
	After-market automotive services SGD'000	Car rental services SGD'000	Automotive supply business SGD'000	Subtotal SGD'000	Education business service SGD'000	Total SGD'000
Segment liabilities	1,151	4,159	609	5,919	–	5,919
Current tax liabilities						214
Unallocated bank borrowings						2,833
Unallocated lease liabilities						1,741
Unallocated corporate liabilities						5,921
Total liabilities						16,628

All assets are allocated to operating segments other than unallocated assets (mainly comprising certain property, plant and equipment and right-of-use assets, other receivables and cash and cash equivalents).

Notes to the Consolidated Financial Statements

6. SEGMENT INFORMATION *(Continued)*

(a) Business segment *(Continued)*

All liabilities are allocated to operating segments other than unallocated liabilities (mainly comprising current and deferred tax liabilities, certain bank borrowings, lease liabilities and other payables).

For the year ended 31 December 2024

	Continuing operations				Discontinued operations	Total SGD'000
	After-market automotive services SGD'000	Car rental services SGD'000	Automotive supply business SGD'000	Subtotal SGD'000	Education business service SGD'000	
Other segment information						
Additions to non-current assets	134	33	232	399	–	399
Depreciation of property, plant and equipment	(456)	(1,123)	(8)	(1,587)	–	(1,587)
Depreciation of right-of-use assets	–	(654)	(14)	(668)	–	(668)
Impairment losses under expected credit loss model on trade receivables, net of reversal	(46)	1	–	(45)	–	(45)
Impairment losses under expected credit loss model on other receivables, net of reversal	–	–	(49)	(49)	–	(49)
Staff costs	(2,674)	(407)	(290)	(3,371)	–	(3,371)
Finance costs	–	(150)	(1)	(151)	–	(151)

Notes to the Consolidated Financial Statements

6. SEGMENT INFORMATION *(Continued)*

(a) Business segment *(Continued)*

For the year ended 31 December 2023

	Continuing operations				Discontinued operations	Total SGD'000
	After-market automotive services SGD'000	Car rental services SGD'000	Automotive supply business SGD'000	Subtotal SGD'000	Education business service SGD'000	
Other segment information						
Additions to non-current assets	864	1,184	–	2,048	–	2,048
Depreciation of property, plant and equipment	(460)	(1,228)	–	(1,688)	(8)	(1,696)
Depreciation of right-of-use assets	(20)	(769)	(21)	(810)	(3)	(813)
Amortisation of intangible assets	–	–	–	–	(91)	(91)
Impairment losses under expected credit loss model on trade receivables, net of reversal	(27)	(5)	–	(32)	(15)	(47)
Impairment losses under expected credit loss model on other receivables, net of reversal	–	–	10	10	–	10
Staff costs	(3,378)	(455)	(158)	(3,991)	(149)	(4,140)
Finance costs	–	(161)	–	(161)	–	(161)
Research expenses	–	–	–	–	(173)	(173)

Notes to the Consolidated Financial Statements

6. SEGMENT INFORMATION *(Continued)*

(a) Business segment *(Continued)*

Additions to non-current assets mainly represents additions to property, plant and equipment and right-of-use assets.

	Revenue from external customers		Specified non-current assets*	
	2024 SGD'000	2023 SGD'000	2024 SGD'000	2023 SGD'000
Geographic information				
Continued operations				
Singapore (place of domicile)	19,621	19,493	6,233	12,194
The PRC	68,218	85,249	241	44
Other Asian countries	-	324	-	-
	87,839	105,066	6,474	12,238
Discontinued operations				
The PRC	-	195	-	-
Total	87,839	105,261	6,474	12,238

* Specified non-current asset excluded any financial assets

(b) Information about major customers

Revenue from major customers, each of them accounted for 10% or more of the Group's revenue, are set out below:

	Automotive supply business	
	2024 SGD'000	2023 SGD'000
Customer A	9,047	17,423
Customer B	N/A [#]	13,514

[#] The corresponding revenue did not contribute over 10% of the total revenue of the Group for the year.

Notes to the Consolidated Financial Statements

7. REVENUE

An analysis of revenue from the Group's continuing operations is as follows:

	2024 SGD'000	2023 SGD'000
Revenue from contracts with customers within the scope of HKFRS 15		
Service income	14,240	13,004
Warranty income	602	614
Automotive supply income	69,684	87,379
Revenue from other sources		
Car rental income	3,313	4,069
	87,839	105,066

	2024 SGD'000	2023 SGD'000
Disaggregation by timing of revenue recognition		
Over time	14,842	13,618
Point in time	69,684	87,379
	84,526	100,997

(a) Contract assets

The Group has recognised the following revenue-related contract assets:

	2024 SGD'000	2023 SGD'000
Contract assets (Note 21)	1,012	557

(i) Nature of contract assets

Contract assets of the Group arise from the after-market automotive services that have been partially provided but have not been completed as at the end of the reporting period. The balance as at 31 December 2024 and 2023 mainly represented car repair services partially complete under the Group's after-market automotive service business.

The contract assets were transferred to trade receivables when the rights became unconditional where car repair services were complete. The typical payment terms which impact on the contract assets are the Group normally issue bill to customers for payment upon completion of the relevant services.

Notes to the Consolidated Financial Statements

7. REVENUE *(Continued)*

(a) Contract assets *(Continued)*

(ii) *The expected timing of recovery or settlement for contract assets is as follows:*

	2024 SGD'000	2023 SGD'000
Within one year	1,012	557

(iii) An impairment analysis was performed at each reporting date using a provision matrix to measure ECLs. The provision rates for the measurement of the ECLs of the contract assets are based on those of the trade receivables as the contract assets and the trade receivables are from the same customer bases. The provision rates of contract assets are based on days past due of trade receivables appropriately grouped by similar loss pattern. The calculation reflects the probability weighted outcome, the time value of money, and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecast of future economic conditions. As at 31 December 2024, no provision was made as the ECLs on contract assets were immaterial (2023: nil).

(b) Contract liabilities

The Group has recognised the following revenue-related contract liabilities:

	2024 SGD'000	2023 SGD'000
Contract liabilities (Note 23)	2,515	1,973

(i) *Nature of contract liabilities*

Contract liabilities of the Group arise from the advance payments made by customers while the underlying goods or services have not been provided. Balance as at 31 December 2024 and 2023 mainly represented advance payments received from customers under the Group's after-market automotive service business and automotive supply business.

(ii) *Unsatisfied performance obligations*

The Group has applied the practical expedient in paragraph 121 of HKFRS 15 to its contracts of after-market automotive service and automotive supply business such that did not include information about service and supply income that the Group will be entitled to when it satisfies the remaining performance obligations under the contracts of service and supply income that had an original expected duration of one year or less.

The contract liabilities as at 31 December 2024 and 2023 did not include any considerations that the Group may earn in the future by meeting conditions set out in the contracts of service and supply income with customers.

Notes to the Consolidated Financial Statements

7. REVENUE *(Continued)*

(b) Contract liabilities *(Continued)*

(iii) *Movements in contract liabilities*

	2024 SGD'000	2023 SGD'000
Balance as at 1 January	1,973	1,795
Increase in contract liabilities as a result of advance payments made by customers	2,484	2,004
Amounts included in contract liabilities that was recognised as revenue during the year	(1,998)	(1,773)
Exchange realignment	56	(53)
Balance as at 31 December	2,515	1,973

(c) Assets recognised from incremental costs to obtain a contract

During the years ended 31 December 2024 and 2023, there were no significant incremental costs to obtain a contract.

8. OTHER INCOME AND GAINS

An analysis of other income and gains from continuing operations is as follows:

	2024 SGD'000	2023 SGD'000
Government grants (Note)	158	179
Gain on disposal of property, plant and equipment	854	278
Exchange gains	3	–
Interest income	3	12
Scrapped steel sale	97	62
Others	20	20
	1,135	551

Note:

There were no unfulfilled conditions and other contingencies attaching to government grants for income recognised during the years ended 31 December 2024 and 2023.

Notes to the Consolidated Financial Statements

9. LOSS BEFORE INCOME TAX EXPENSE

Loss before income tax expense from continuing operations is arrived at after charging/(crediting):

	2024 SGD'000	2023 SGD'000
Auditors' remuneration	142	152
Depreciation of property, plant and equipment		
– Direct depreciation expenses	1,296	1,429
– Indirect depreciation expenses	319	280
– Total	1,615	1,709
Depreciation of right-of-use assets		
– Direct depreciation expenses	654	789
– Indirect depreciation expenses	550	1,056
– Total	1,204	1,845
Employee benefit expenses (including directors' emoluments) (Note 13)		
– Salaries, allowances and other benefits	6,354	5,851
– Contributions to defined contribution retirement plan	446	478
– Total	6,800	6,329
– Direct employee benefit expenses	574	357
– Indirect employee benefit expenses	6,226	5,972
– Total	6,800	6,329
Impairment of interests in an associate (Note 19)	–	918
Impairment losses under expected credit loss model on trade receivables, net of reversal	45	32
Impairment losses under expected credit loss model on other receivables, net of reversal	49	(10)
Loss on written-off of property, plant and equipment	32	7
Short-term lease expenses	112	49

Notes to the Consolidated Financial Statements

10. FINANCE COSTS

An analysis of the Group's interest expenses from continuing operations is as follows:

	2024 SGD'000	2023 SGD'000
Interest element of lease liabilities	146	179
Interest on bank borrowings	88	131
Interest on other payables with related parties/companies	30	56
	264	366

11. INCOME TAX EXPENSE

The amounts of income tax from continuing operations in the consolidated statement of profit or loss and other comprehensive income represent:

	2024 SGD'000	2023 SGD'000
The PRC		
Current tax		
– Current year	41	116
Singapore		
Current tax		
– Current year	160	28
– Over-provision in respect of prior years	(20)	(65)
Income tax expense	181	79

Singapore profits tax is calculated at 17% on the estimated assessable profits arising in Singapore for the year ended 31 December 2024 (2023: 17%).

Under the Law of the PRC on Enterprise Income Tax (the “EIT Law”) and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25% for both years.

Taxation arising in other jurisdictions is calculated at the rates prevailing in the relevant jurisdictions.

Notes to the Consolidated Financial Statements

11. INCOME TAX EXPENSE *(Continued)*

The income tax expense can be reconciled to the loss before income tax expense from continuing operations in the consolidated statement of profit or loss and other comprehensive income as follows:

	2024 SGD'000	2023 SGD'000
Loss before income tax expense	(1,334)	(1,194)
Tax calculated at the domestic tax rate	(227)	(203)
Tax effect of different tax rates of subsidiaries operating in other jurisdictions	(41)	(116)
Tax effect of expenses not deductible for tax purposes	578	173
Tax effect of revenue not taxable for tax purposes	(328)	(17)
Over provision in respect of prior years	(20)	(65)
Tax rebates	(59)	(26)
Tax effect of unused tax losses not recognised	263	351
Others	15	(18)
Income tax expense	181	79

12. DISCONTINUED OPERATION

On 26 December 2023, the Group, had entered into an agreement with an independent third party to dispose an aggregate of 53% of the equity interest in Hunan Maliang Digital Technology Co., Ltd. 湖南馬良數碼科技股份有限公司 (the “**Maliang**”) at the total consideration of RMB3,974,000 (equivalent to approximately SGD679,000) and therefore the carrying amount related to the net assets of the Maliang was deconsolidated from the consolidated financial statements of the Group as at completion date.

The results of the discontinued operation, which have been included in the loss for the year, were as follows. The comparative figures in the consolidated statement of profit or loss and other comprehensive income and related notes have been restated to re-present the Maliang operation as a discontinued operation at the beginning of the year.

The loss for the period from the discontinued operation is analysed as follows:

	2023 SGD'000
Loss from education business services	(496)
Gain on disposal of education business services (Note 30)	276
	(220)

Notes to the Consolidated Financial Statements

12. DISCONTINUED OPERATION *(Continued)*

Analysis of the results of the discontinued operations are set out below:

	Period from 1 January 2023 to 26 December 2023 SGD'000
Revenue	195
Other income and gains	11
Change in trading inventories	(199)
Marketing and advertising expenses	(7)
Employee benefit expenses	(149)
Depreciation of property, plant and equipment	(8)
Depreciation of right-of-use assets	(3)
Amortisation of intangible assets	(91)
Impairment losses under expected credit loss model on trade receivables, net of reversal	(15)
Impairment losses under expected credit loss model on other receivables, net of reversal	–
Short-term lease expenses	(32)
Other expenses	(221)
Loss before income tax expense	(519)
Income tax credit	23
Loss for the year from discontinued operation	(496)

Cash flows for the period from discontinued operations:

	Period from 1 January 2023 to 26 December 2023 SGD'000
Net cash used in operating activities	(502)
Net cash generated from investing activities	–

The carrying amounts of the assets and liabilities of Maliang at the date of disposal are disclosed in note 30.

Notes to the Consolidated Financial Statements

13. DIRECTORS' AND CHIEF EXECUTIVE'S EMOLUMENTS

(a) Directors' emoluments

The emoluments of each of the directors for the years ended 31 December 2024 and 2023 are set out below:

	Fees SGD'000	Salaries, allowances and other benefits SGD'000	Discretionary bonuses (Note (i)) SGD'000	Contributions to defined contribution retirement plan SGD'000	Total SGD'000
Year ended 31 December 2024					
Executive directors					
Mr. Hu Wu'an (Chairman)	-	21	-	-	21
Mr. Ang Lay Keong (Hong Liqiang) (Chief executive officer)	-	410	175	34	619
Ms. Lim Li Ling (Lin Liling) (Note (iv))	-	10	2	1	13
Ms. Nie Li	-	21	-	-	21
Mr. Zhang Wenyuan (Note (iii))	-	10	-	-	10
Ms. Lin Xiaojuan	-	21	-	-	21
Mr. Chang Li-Chung (Note (v))	-	17	-	-	17
Independent non-executive directors					
Mr. Chu Kin Ming	21	-	-	-	21
Ms. Dai Xiaoyan (Note (vi))	9	-	-	-	9
Ms. Yi Jing	17	-	-	-	17
	47	510	177	35	769

Notes to the Consolidated Financial Statements

13. DIRECTORS' AND CHIEF EXECUTIVE'S EMOLUMENTS (Continued)

(a) Directors' emoluments (Continued)

	Fees SGD'000	Salaries, allowances and other benefits SGD'000	Discretionary bonuses SGD'000	Contributions to defined contribution retirement plan SGD'000	Total SGD'000
Year ended 31 December 2023					
Executive directors					
Mr. Hu Wu'an (Chairman)	-	21	-	-	21
Mr. Ang Lay Keong (Hong Liqiang) (Chief executive officer)	-	273	128	39	440
Ms. Lim Li Ling (Lin Liling) (Note (iv))	-	140	58	25	223
Mr. Goh Duo Tzer (Wu Duoze) (Note (ii))	-	130	28	18	176
Ms. Nie Li	-	21	-	-	21
Mr. Zhang Wenyuan (Note (iii))	-	5	-	-	5
Ms. Lin Xiaojuan	-	21	-	-	21
Independent non-executive directors					
Mr. Chu Kin Ming	21	-	-	-	21
Mr. Chang Li-Chung (Note (v))	-	17	-	-	17
Ms. Yi Jing	17	-	-	-	17
	38	628	214	82	962

Notes:

- (i) The discretionary bonuses were determined based on the performance of the directors.
- (ii) Mr. Goh Duo Tzer (Wu Duoze) resigned as the Company's executive director on 13 October 2023.
- (iii) Mr. Zhang Wenyuan was appointed as the Company's executive director on 13 October 2023 and resigned as the Company's executive director on 27 June 2024.
- (iv) Ms. Lim Li Ling (Lin Liling) resigned as the Company's executive director on 19 January 2024.
- (v) Mr. Chang Li-Chung was re-designated from the Company's independent non-executive director to the Company's executive director on 16 April 2024.
- (vi) Ms. Dai Xiaoyan was appointed as the Company's independent non-executive director on 16 April 2024.

During the years ended 31 December 2024 and 2023, no emoluments were paid by the Group to the directors as an inducement to join or upon joining the Group or as compensation for loss of office. In addition, none of the directors waived or agreed to waive any emoluments during the years ended 31 December 2024 and 2023.

Notes to the Consolidated Financial Statements

13. DIRECTORS' AND CHIEF EXECUTIVE'S EMOLUMENTS *(Continued)*

(b) Five highest paid individuals

The five individuals whose emoluments were the highest in the Group included one and three directors for the years ended 31 December 2024 and 2023 respectively, whose emoluments are reflected in the analysis presented above. The emoluments payable to the remaining highest paid non-director individuals are as follows:

	2024 SGD'000	2023 SGD'000
Salaries, allowances and other benefits	763	219
Discretionary bonus	48	40
Contribution to defined contribution retirement plan	54	32
	865	291

The emoluments of each of the above highest paid individuals were within the following bands:

	2024 Number of individuals	2023 Number of individuals
Nil – HK\$1,000,000	2	1
HK\$1,000,001 – HK\$1,500,000	1	3
HK\$1,500,001 – HK\$2,000,000	1	–
HK\$2,000,001 – HK\$2,500,000	–	1
More than HK\$2,500,001	1	–

During the years ended 31 December 2024 and 2023, none of the five highest paid individuals waived or agreed to waive any emoluments and there were no emoluments paid by the Group to any of the five highest paid individuals as an inducement to join, or upon joining the Group, or as compensation for loss of office.

14. DIVIDENDS

No dividends have been paid or declared by the Company or any of the subsidiaries during the year ended 31 December 2024 (2023: Nil).

Notes to the Consolidated Financial Statements

15. LOSS PER SHARE

The calculation of the basic and diluted loss per share from continuing operations attributable to owners of the Company is based on the following data:

Loss figures are calculated as follows:

	2024 SGD'000	2023 SGD'000
Loss for the year attributable to owners of the Company	(1,515)	(1,260)
Less: Loss for the year from discontinued operations	–	(13)
Loss for the purpose of basic loss per share from continuing operations (SGD'000)	(1,515)	(1,273)
Weighted average number of ordinary shares in issue (Note)	850,000,000	850,000,000
Loss per share attribute to owners of the Company		
From continuing and discontinued operations		
Basic and diluted (SGD cents)	(0.18)	(0.15)
From continuing operations		
Basic and diluted (SGD cents)	(0.18)	(0.15)

From discontinued operations

Basic and diluted earnings per share for the discontinued operations is SGD0.002 cents per share, based on the profit for the period from the discontinued operations of approximately SGD13,000 and the denominators detailed above for both basic and diluted loss per share during the year ended 31 December 2023.

Note:

For the year ended 31 December 2024, the calculation of basic loss per share was based on the loss attributable to the owners of the Company and on the basis of the weighted average number of 850,000,000 (2023: 850,000,000) ordinary shares in issue.

Diluted loss per share were the same as basic loss per share as there was no dilutive potential ordinary share in existence during the years ended 31 December 2024 and 2023.

Notes to the Consolidated Financial Statements

16. PROPERTY, PLANT AND EQUIPMENT, RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

(a) Property, plant and equipment

	Land and buildings SGD'000	Computer SGD'000	Furniture and fittings SGD'000	Machine equipment SGD'000	Motor vehicles SGD'000	Office equipment SGD'000	Leasehold improvements SGD'000	Total SGD'000
Cost								
As at 1 January 2023	-	615	267	983	10,973	66	865	13,769
Additions	-	17	170	215	42	5	511	960
Disposal	-	-	-	-	(2,290)	-	-	(2,290)
Disposal of a subsidiary (Note 30)	-	-	(11)	(90)	(22)	-	-	(123)
Written off	-	(98)	(143)	(90)	-	(48)	(689)	(1,068)
Reclassification from right-of-use assets (Note (b))	-	-	-	-	4,327	-	-	4,327
Exchange realignment	-	-	(1)	(3)	(1)	-	-	(5)
As at 31 December 2023 and 1 January 2024	-	534	282	1,015	13,029	23	687	15,570
Additions	232	10	17	29	54	1	60	403
Disposal	-	(8)	(14)	(147)	(7,991)	-	-	(8,160)
Written off	-	-	-	-	-	-	(36)	(36)
Reclassification from right-of-use assets (Note (b))	-	-	-	-	3,933	-	-	3,933
Exchange realignment	5	-	-	-	-	-	-	5
As at 31 December 2024	237	536	285	897	9,025	24	711	11,715
Accumulated depreciation and impairment								
As at 1 January 2023	-	541	223	784	5,660	59	755	8,022
Charge for the year	-	52	53	153	1,278	3	178	1,717
Eliminated on disposal	-	-	-	-	(1,453)	-	-	(1,453)
Disposal of a subsidiary (Note 30)	-	-	(1)	(77)	(18)	-	-	(96)
Written off	-	(98)	(141)	(90)	-	(44)	(688)	(1,061)
Reclassification from right-of-use assets (Note (b))	-	-	-	-	2,378	-	-	2,378
Exchange realignment	-	-	(2)	1	(1)	-	-	(2)
As at 31 December 2023 and 1 January 2024	-	495	132	771	7,844	18	245	9,505
Charge for the year	8	27	66	142	1,157	2	213	1,615
Eliminated on disposal	-	(1)	(2)	(90)	(4,470)	-	-	(4,563)
Written off	-	-	-	-	-	-	(4)	(4)
Reclassification from right-of-use assets (Note (b))	-	-	-	-	1,573	-	-	1,573
As at 31 December 2024	8	521	196	823	6,104	20	454	8,126
Net carrying amount								
As at 31 December 2023	-	39	150	244	5,185	5	442	6,065
As at 31 December 2024	229	15	89	74	2,921	4	257	3,589

Notes to the Consolidated Financial Statements

16. PROPERTY, PLANT AND EQUIPMENT, RIGHT-OF-USE ASSETS AND LEASE LIABILITIES *(Continued)*

(b) Right-of-use assets and lease liabilities

Set out below are the carrying amounts of the Group's right-of-use assets and lease liabilities and the movements during the years:

	Right-of-use assets		Lease liabilities	
	Motor vehicles	Leased properties for own use	Total	Total
	SGD'000	SGD'000	SGD'000	SGD'000
As at 1 January 2023	6,079	1,169	7,248	4,207
Lease commencement	1,137	1,617	2,754	2,433
Depreciation expenses	(789)	(1,059)	(1,848)	–
Reclassification to property, plant and equipment (Note (a))	(1,949)	–	(1,949)	–
Interest expenses	–	–	–	179
Disposal of a subsidiary (Note 30)	–	(33)	(33)	(33)
Payments	–	–	–	(2,443)
Exchange realignment	–	1	1	(3)
As at 31 December 2023 and 1 January 2024	4,478	1,695	6,173	4,340
Lease commencement	–	293	293	293
Depreciation expenses	(654)	(550)	(1,204)	–
Reclassification to property, plant and equipment (Note (a))	(2,360)	–	(2,360)	–
Interest expenses	–	–	–	146
Lease termination	–	(15)	(15)	(15)
Payments	–	–	–	(2,473)
Exchange realignment	–	(2)	(2)	2
As at 31 December 2024	1,464	1,421	2,885	2,293

The Group recognised rent expenses from short-term leases of SGD112,000 (2023: SGD49,000) in profit or loss from continuing operations for the year ended 31 December 2024.

Notes to the Consolidated Financial Statements

16. PROPERTY, PLANT AND EQUIPMENT, RIGHT-OF-USE ASSETS AND LEASE LIABILITIES *(Continued)*

(b) Right-of-use assets and lease liabilities *(Continued)*

The remaining contractual maturities of the Group's lease liabilities as at 31 December 2024 and 2023 are as follows:

	2024		2023	
	Present value of the minimum lease payments SGD'000	Total minimum lease payments SGD'000	Present value of the minimum lease payments SGD'000	Total minimum lease payments SGD'000
Within 1 year	827	899	1,444	1,585
After 1 year but within 2 years	682	725	1,130	1,614
After 2 years but within 5 years	737	765	1,668	1,352
After 5 years	47	48	98	101
	1,466	1,538	2,896	3,067
	2,293	2,437	4,340	4,652
Less: total future interest expense		(144)		(312)
Present value of lease liabilities		2,293		4,340

Notes to the Consolidated Financial Statements

17. INTANGIBLE ASSETS

	Software development system SGD'000
Cost	
As at 1 January 2023	454
Disposal of a subsidiary	(442)
Exchange realignment	(12)
As at 31 December 2023, 1 January 2024 and 31 December 2024	–
Accumulated amortisation and impairment	
As at 1 January 2023	154
Charge for the year	91
Disposal of a subsidiary	(243)
Exchange realignment	(2)
As at 31 December 2023, 1 January 2024 and 31 December 2024	–
Net carrying amount	
As at 31 December 2024	–
As at 31 December 2023	–

At 26 December 2023, the Group's intangible assets included software development system were disposed (note 30).

Notes to the Consolidated Financial Statements

18. INTERESTS IN A JOINT VENTURE

	2024 SGD'000	2023 SGD'000
Cost of investment in joint venture	–	211
Share of post-acquisition profits and other comprehensive income, net of dividend received	–	(211)
	–	–

Particulars of the joint venture of the Group at the end of the reporting period are set out as follows:

Name	Place of incorporation/ operation	Issued and fully paid share capital	Percentage of ownership interests		Place of incorporation and operation
			2024	2023	
Absolute By Optima Werkz (Thailand) Co., Ltd. (Note)	Thailand	BAHT12,000,000	N/A	40%	Repair and maintenance of motor vehicles including installation of parts and accessories

Notes:

Optima Werkz Pte. Ltd., ("**OW**") an indirect wholly-owned subsidiary of the Company, has entered into an agreement with Wealth Firm Holding Co., Ltd. ("**Wealth Firm**"), an independent third party and a limited liability company incorporated in Thailand, to form and invest in a company in Thailand, named Absolute By Optima Werkz (Thailand) Co., Ltd. ("**ABOW**"). ABOW is a limited liability company incorporated in Thailand of which the Group and Wealth Firm held 40% and 60% equity interest in ABOW respectively.

The contractual arrangement provides the Group with only the rights to the net assets of the joint arrangement, with the rights to the assets and obligation for the liabilities of the joint arrangement resting primarily with ABOW. Under HKFRS 11, this joint arrangement is classified as a joint venture and has been included in the consolidated financial statements using the equity method.

On 23 December 2024, OW disposed entire interests of joint venture to one of the directors of the joint venture at SGD1, which resulted in loss on disposal of joint venture approximately amount of SGD11,000 was recognised during the year ended 31 December 2024.

Notes to the Consolidated Financial Statements

18. INTERESTS IN A JOINT VENTURE *(Continued)*

Summarised financial information of the joint venture, adjusted for any differences in accounting policies, is presented below:

	Absolute By Optima Werkz (Thailand) Co., Ltd.	
	2024	2023
	SGD'000	SGD'000
As at 31 December		
Current assets	–	852
Non-current assets	–	40
Current liabilities	–	(592)
Non-current liabilities	–	(655)
Net liabilities	–	(355)
Reconciliation to the Group's interest in a joint venture:		
Proportion of the Group's ownership	N/A	40%
Carrying amount of interest in the joint venture	–	–
	Period from 1 January 2024 to 23 December 2024	Period from 1 January 2023 to 31 December 2023
	SGD'000	SGD'000
Revenue	–	–
Profit for the year	–	–
Other comprehensive expense	–	–
Total comprehensive income	–	–
Dividends received by the Group from the joint venture	–	–

The joint venture had no significant contingent liabilities or commitments up to the date of disposal during the year ended 31 December 2024 (2023: nil).

Notes to the Consolidated Financial Statements

19. INTERESTS IN AN ASSOCIATE

	2024 SGD'000	2023 SGD'000
Cost of investment in associates	–	555
Share of post-acquisition profits and other comprehensive, net of dividend received	–	(350)
Goodwill	–	1,951
Impairment loss	–	(1,008)
Exchange realignment	–	(1,148)
	–	–

Particulars of the associate of the Group at the end of the reporting period are set out as follows:

Name	Place of incorporation/ operation	Issued and fully paid share capital	Percentage of ownership interests		Place of incorporation and operation
			2024	2023	
Optima Werkz Myanmar Services Co. Ltd. (Note)	Myanmar	US\$1,000,000	N/A	35%	Repair and maintenance of motor vehicles including installation of parts and accessories

Note:

Werkz Myanmar Holdings Pte. Ltd. ("**OWMH**"), an indirect wholly-owned subsidiary of the Company, being a limited liability company incorporated in Singapore, held 35% equity interest in Optima Werkz Myanmar Services Co., Ltd. ("**OWMS**"). The principal activity of OWMS is repair and maintenance of motor vehicles, including installation of parts and accessories in Myanmar. The Group has invested in OWMS in order to expand the overseas business of the Group to diversify its country risk.

The directors of the Company considered the Group can exercise significant influence over the investee and therefore was treated as an associate and applied equity method to account for the investment.

During the year ended 31 December 2023, there is objective evidence of impairment towards the investment in OWMS (a "loss event"). The financial performance of OWMS in 2023 was worse than previously expected (including at the time of performance of the impairment assessment as at the end of the year ended 31 December 2022) and at the time of Group's acquisition. The economic environment in which OWMS operates in was adversely affected by the worsened political crisis in Myanmar, resulting in the expected returns to the Group from its investment in OWMS to be adversely affected. Besides, there was very significant devaluation of the Myanmar currency against HKD and SGD due to the worsened political crisis in Myanmar in late 2023, thus eroding the Group's net investment in OWMS and share of future cash flows generated by OWMS in SGD terms, all of which indicate that the cost of the Group's investment in OWMS may not be recovered.

Notes to the Consolidated Financial Statements

19. INTERESTS IN AN ASSOCIATE *(Continued)*

In determining the value-in-use of the Group's net investment in OWMS based on estimates of the Group's share of the present value of the estimated future cash flows expected to be generated by OWMS, including the cash flows from the operations of OWMS, it should be noted that the financial results of OWMS during the year ended 2023 was worse than in 2022, with the Group's share of result of OWMS in 2023 being only SGD130,000 compared to SGD153,000 in 2022. The projected increase in financial results of OWMS expected at the time of the impairment assessment of OWMS in 2022 ("**2022 Impairment Assessment**") did not materialize due to the worsened political crisis and economic environment in Myanmar in 2023. It would be unreasonable and unsupportable for the Group to assume that the 35% shares in OWMS could be sold to a market participant on a willing buyer and willing seller basis for a significant selling price. Therefore, the management assumed that the Group's investment in OWMS did not have any significant value-in-use as at 31 December 2023 and recognize the effects of the objective evidence of impairment in the year ended 31 December 2023 by fully writing down the investment in OWMS.

In May 2024 and September 2024, OWMH disposed 100,000 & 250,000 shares of OWMS to one of the directors of the associate respectively at cash consideration of approximately SGD26,000 in total, which resulted in a loss on disposal of an associate of approximately SGD1,569,000 recognised during the year ended 31 December 2024.

Summarised financial information of the Group's associate, adjusted for any difference in accounting policies:

	Optima Werkz Myanmar Services Co. Ltd. 2023 SGD'000
As at 31 December	
Current assets	1,076
Non-current assets	171
Current liabilities	(661)
Non-current liabilities	(2)
Net assets	584
Year ended 31 December	
Revenue	2,939
Profit for the year	370
Other comprehensive income	(595)
Total comprehensive expense	(225)
Dividend received/receivable from an associate	148

The associate had no contingent liabilities or commitments up to the date of disposal during the year ended 31 December 2024 (2023: nil).

Notes to the Consolidated Financial Statements

20. INVENTORIES

	2024 SGD'000	2023 SGD'000
Parts and accessories	1,632	1,719
Automotive	33	31
	1,665	1,750

The change in trading inventories and cost of materials used from continuing operations amounted to SGD68,650,000 and SGD6,898,000 during the year ended 31 December 2024 respectively (2023: SGD86,073,000 and SGD6,242,000).

21. TRADE AND OTHER RECEIVABLES

	2024 SGD'000	2023 SGD'000
Trade receivables	2,363	3,030
Less: impairment loss	(182)	(548)
Trade receivables, net (Note (a))	2,181	2,482
Contract assets (Note 7(a))	1,012	557
Deposits, prepayment and other receivables	2,042	909
	5,235	3,948
Categorised as:		
Current portion	5,164	3,877
Non-current portion	71	71
	5,235	3,948

Note:

- (a) As at 31 December 2024, included in trade receivables represented lease receivables arising from car rental business amounted to SGD106,000 (2023: SGD121,000).

The fair values of trade receivables are considered by the directors not to be materially different from their carrying amounts. The normal credit period granted to customers was ranged from 30 to 90 days.

Notes to the Consolidated Financial Statements

21. TRADE AND OTHER RECEIVABLES *(Continued)*

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

	2024 SGD'000	2023 SGD'000
Within 30 days	609	963
31 – 60 days	334	521
61 – 90 days	221	289
91 – 180 days	296	414
181 – 365 days	497	113
Over 365 days	224	182
	2,181	2,482

The ageing analysis of trade receivables, based on due date, as at the end of the reporting periods, is as follows:

	2024 SGD'000	2023 SGD'000
Not yet past due	137	647
Less than 60 days	821	916
61 – 90 days	212	343
91 – 180 days	307	282
181 – 365 days	480	115
Over 365 days	224	179
	2,044	1,835
	2,181	2,482

Trade receivables that were not yet past due related to a range of customers for whom there was no recent history of default. Trade receivables that were past due related to customers with long business relationship. Based on past experience, management believes that there has not been a significant change in credit quality and the balances are still considered fully recoverable. The Group did not hold any collateral in respect of these balances.

Notes to the Consolidated Financial Statements

21. TRADE AND OTHER RECEIVABLES *(Continued)*

Movements in impairment loss from continuing operations recognised in respect of trade receivables are as follows:

	2024 SGD'000	2023 SGD'000
At beginning of year	548	516
Allowance for impairment (Note 9)	46	34
Reversal of impairment (Note 9)	(1)	(2)
Write off against receivables	(411)	–
At end of year	182	548

Impairment of trade and other receivables and contract assets

As at 31 December 2024, total allowance of SGD59,000 (2023: SGD471,000) was recognised on individual trade receivable as management considered the recoverability of balance was remote. For the remaining trade receivables, the Group applies the simplified approach to provide for expected credit loss prescribed by HKFRS 9 and total allowance of SGD123,000 (2023: SGD77,000) was made against the gross amount of trade receivables as at 31 December 2024.

All contract assets and certain other receivables of approximately SGD1,746,000 (2023: SGD439,000) as at 31 December 2024 were neither past due nor credit-impaired.

Certain other receivables of approximately SGD484,000 as at 31 December 2023 were credit impaired and wrote off. Please refer to note 35(a) for further details.

22. CASH AND CASH EQUIVALENTS

	2024 SGD'000	2023 SGD'000
Cash on hand	3	1
Cash at bank	5,378	4,873
	5,381	4,874

Cash at bank earns interest at floating rates based on daily bank balances and deposit rates.

Notes to the Consolidated Financial Statements

23. TRADE AND OTHER PAYABLES

	2024 SGD'000	2023 SGD'000
Trade payables (Note (a))	1,115	1,117
Other payables, accruals and deposits received	4,083	4,969
Contract liabilities (Note 7(b))	2,515	1,973
	7,713	8,059
Categorised as:		
Current portion	5,817	7,061
Non-current portion	1,896	998
	7,713	8,059

Notes:

- (a) The credit period granted by suppliers is normally 30 to 60 days. The ageing analysis of trade payables, based on invoice date, as at the end of the reporting period are as follows:

	2024 SGD'000	2023 SGD'000
Within 30 days	558	496
31 – 60 days	432	394
61 – 90 days	100	112
Over 90 days	25	115
	1,115	1,117

- (b) As at 31 December 2023, other payables including amount due to related companies represented loans with principal RMB1,325,000, equivalent to approximately SGD253,000, which were unsecured, interest bearing to 2% per annum and repayable within one year.

As at 31 December 2024, other payables including amount due to related companies represented loans with principal RMB2,571,000 (2023: RMB5,220,000), equivalent to approximately SGD480,000 (2023: SGD998,000), which were unsecured, interest bearing to 1% per annum (2023: 1% per annum) and repayable in two years.

As at 31 December 2024, other payables including amount due to related companies represented loans with principal RMB1,000,000, equivalent to approximately SGD186,000, which were unsecured, interest bearing to 1.35% per annum and repayable within one year.

As at 31 December 2024, other payables included amounts due to related parties represented loans with principal amounts of USD390,000 and HKD4,348,000 (2023: USD390,000 and HKD6,510,000), equivalent to approximately SGD763,000 (2023: SGD1,614,000), which were unsecured, interest-bearing at 2% per annum and repayable within two years (2023: 2% per annum and repayable within one year).

The interest payable arising from other payables amounted to approximately SGD30,000 (2023: SGD54,000) as at 31 December 2024 and 2023. Ms. Nie Li (director of the Company) and Mr. Hu Wu'an (chairman and executive director of the Company) were directors of the related parties, while Ms. Nie Li was a shareholder and Mr. Hu Wu'an was a controlling shareholder of the related companies.

Notes to the Consolidated Financial Statements

24. BANK AND OTHER BORROWINGS

	2024 SGD'000	2023 SGD'000
Bank borrowings	1,708	2,833
Other borrowings	431	1,182
	2,139	4,015

	2024 SGD'000	2023 SGD'000
Secured and interest-bearing bank and other borrowings (Note (i))		
– Bank and other borrowings due for repayment within a year	1,349	1,493
– Bank and other borrowings due for repayment after a year (Note (ii))	790	2,522
	2,139	4,015

Notes:

- (i) Bank and other borrowings are interest bearing at fixed rates as at 31 December 2024 (2023: fixed rates). The interest rates of the Group's bank and other borrowings as at 31 December 2024 and 2023 granted under banking facilities is at 1.50% to 3.68% per annum (2023: 1.35% to 3.68% per annum) respectively per annum.
- (ii) As at 31 December 2024 and 2023, none of the portion of these bank and other borrowings due for repayment after one year contain a repayment on demand clause nor are expected to be settled within one year.
- (iii) As at 31 December 2024 and 2023, the Group's banking facilities are secured by corporate guarantee of the Company.
- (iv) The Group's certain other borrowings amounted approximately SGD431,000 (2023: SGD1,182,000) were secured by the Group's motor vehicles with the carrying amount approximately to SGD1,031,000 (2023: SGD1,961,000).

As at the end of the reporting period, the Group's bank and other borrowings were scheduled to repay as follows:

	2024 SGD'000	2023 SGD'000
On demand or within one year	1,349	1,493
More than one year, but not exceeding two years	756	1,527
More than two years, but not exceeding five years	34	995
	2,139	4,015

Notes to the Consolidated Financial Statements

25. DEFERRED TAX

The analysis of deferred tax is as follows:

	2024 SGD'000	2023 SGD'000
Deferred tax liabilities	–	–

The movement on deferred tax during the years ended 31 December 2024 and 2023 are as follows:

	Fair value adjustments arising from business combination SGD'000	Lease liabilities SGD'000	Right-of-use assets SGD'000	Total SGD'000
At 1 January 2023	(39)	127	(127)	(39)
(Charge)/credit to profit of loss	23	157	(157)	23
Disposal of a subsidiary (Note 30)	15	–	–	15
Exchange realignment	1	–	–	1
As at 31 December 2023 and 1 January 2024	–	284	(284)	–
(Charge)/credit to profit of loss	–	(57)	57	–
At 31 December 2024	–	227	(227)	–

As at 31 December 2024 and 2023, no deferred tax liabilities have been recognised on taxable temporary difference in relation to the undistributed earnings of subsidiaries as the Group is able to control the timing of reversal of these taxable temporary difference and it is probable that such difference will not reverse in foreseeable future.

As at 31 December 2024 and 2023, deferred tax assets relating to tax losses of the Group has not been recognised as it is not probable that taxable profit will be available against which the unused tax losses can be utilised.

Notes to the Consolidated Financial Statements

26. SHARE CAPITAL

	Number	Amount HK\$'000	Amount SGD'000
Authorised:			
As at 1 January 2023, 31 December 2023, 1 January 2024 and 31 December 2024	16,000,000,000	160,000	28,191
Issued and fully paid:			
As at 1 January 2023, 31 December 2023, 1 January 2024 and 31 December 2024	850,000,000	8,500	1,497

27. RESERVES

The following describes the nature and purpose of each reserve within owners' equity:

Share premium

Share premium of the Company and the Group is the excess of the cash proceeds received over the nominal value of the ordinary shares of the Company issued at a premium, less the amount of expenses incurred in connection with the issue of the ordinary shares.

Merger reserve

Merger reserve of the Group represents the differences between the share capital of Optima Werkz Pte. Ltd. and the nominal value of the ordinary shares issued by the Company in acquiring Optima Werkz Pte. Ltd. upon the completion of the Reorganisation.

Merger reserve of the Company represents the differences between the carrying amount of the net assets of Optima Werkz Pte. Ltd. and its subsidiaries and the nominal value of the ordinary shares issued by the Company in acquiring Optima Werkz Pte. Ltd. upon the completion of the Reorganisation.

Other reserve

Other reserve represents the difference between the consideration received/paid and the carrying amount of net assets attributable to the reduction/increase of equity interest in subsidiaries without loss of control.

Notes to the Consolidated Financial Statements

27. RESERVES (Continued)

Foreign exchange reserve

Exchange differences arising from the translation of the net assets of the Group's foreign operations from their functional currencies to the Group's presentation currency (i.e. SGD) are recognised directly in other comprehensive income and accumulated in the foreign exchange reserve. The reserve is dealt with in accordance with the accounting policy of foreign currencies set out in Note 4(i).

The Company

The movements of the Company's reserves are as follows:

	Share premium SGD'000	Merger reserve SGD'000	Accumulated losses SGD'000	Total SGD'000
Balance as at 1 January 2023	7,187	5,195	(7,592)	4,790
Loss and total comprehensive expense for the year	–	–	(691)	(691)
Balance as at 31 December 2023 and 1 January 2024	7,187	5,195	(8,283)	4,099
Loss and total comprehensive expense for the year	–	–	(721)	(721)
Balance as at 31 December 2024	7,187	5,195	(9,004)	3,378

Notes to the Consolidated Financial Statements

28. HOLDING COMPANY STATEMENT OF FINANCIAL POSITION

	Notes	2024 SGD'000	2023 SGD'000
ASSETS AND LIABILITIES			
Non-current assets			
Investment in subsidiaries		5,212	5,212
Amounts due from subsidiaries		989	577
Total non-current assets		6,201	5,789
Current assets			
Prepayments		27	27
Cash and cash equivalents		172	161
Total current assets		199	188
Current liabilities			
Other payables		1,525	381
Total current liabilities		1,525	381
Net current liabilities		(1,326)	(193)
Net assets		4,875	5,596
EQUITY			
Share capital	26	1,497	1,497
Accumulated losses	27	(9,004)	(8,283)
Merger reserve	27	5,195	5,195
Share premium	27	7,187	7,187
Total equity		4,875	5,596

Ang Lay Keong (Hong Liqiang)
Director

Hu Wu'an
Director

Notes to the Consolidated Financial Statements

29. INVESTMENTS IN SUBSIDIARIES

Particulars of the Company's subsidiaries as at 31 December 2024 and 2023 are set out below:

Name of subsidiary	Place and date of incorporation	Place of operations	Issued and paid-up capital	Effective interest held by the Company				Principal activities
				2024		2023		
				Directly	Indirectly	Directly	Indirectly	
Optima International Limited	Incorporated in the British Virgin Islands on 16 March 2018	The British Virgin Islands	US\$100	100%	–	100%	–	Investment holding
Prosper Might Holdings Limited	Incorporated in the British Virgin Islands on 2 January 2020	The British Virgin Islands	US\$100	100%	–	100%	–	Investment holding
Optima Werkz Pte. Ltd.	Incorporated in Singapore on 18 May 2012	Singapore	SGD2,662,472	–	100%	–	100%	Repair and maintenance (including installation of parts of accessories) and spray painting of motor vehicles
Optima De Auto Pte. Ltd.	Incorporated in Singapore on 22 August 2013	Singapore	SGD10,000	–	100%	–	100%	Repair and maintenance (including installation of parts of accessories) and spray painting of motor vehicles
Optima Carz Leasing Pte. Ltd. (formerly known as Optima Carz Pte. Ltd.)	Incorporated in Singapore on 24 October 2014	Singapore	SGD1,000	–	100%	–	100%	Rental and leasing of cars (excluding street-hail and ride-hail service providers and online marketplaces)
Optima Werkz International Pte. Ltd.	Incorporated in Singapore on 23 September 2015	Singapore	SGD10,000	–	100%	–	100%	Franchise agency services
Optima Werkz Thailand Holdings Pte. Ltd.	Incorporated in Singapore on 2 February 2020	Singapore	SGD100	–	100%	–	100%	Investment holding
Optima Werkz Myanmar Holdings Pte. Ltd.	Incorporated in Singapore on 5 July 2017	Singapore	US\$1,000,000	–	100%	–	100%	Investment holding
Joy Vast Investment Limited	Incorporated in Hong Kong on 2 March 2020	Hong Kong	HK\$1	–	100%	–	100%	Investment holding
深圳百年健康生物科技有限公司	Incorporated in the People's Republic of China on 27 April 2020	The People's Republic of China	Registered capital of RMB30,000,000	–	100%	–	100%	Investment holding
深圳傲迪海車汽車貿易有限公司	Incorporated in the People's Republic of China on 19 June 2018	The People's Republic of China	Registered capital of RMB10,000,000	–	100%	–	100%	Trading of motor vehicles
湖南傲迪瑪汽車有限公司	Incorporated in the People's Republic of China on 3 February 2021	The People's Republic of China	Registered capital of RMB18,418,800	–	100%	–	100%	Trading of motor vehicles
深圳市海藍綠水資源管理有限公司	Incorporated in the People's Republic of China on 19 April 2024	The People's Republic of China	Registered capital of RMB5,000,000	–	100%	–	–	Supply of green environmental protection water energy technology

Notes to the Consolidated Financial Statements

30. DISPOSAL OF A SUBSIDIARY

As referred to note 12, the Group discontinued its education business service at the time of disposal of its subsidiary, Maliang on 26 December 2023. The net assets of Maliang, at the date of disposal were as follows:

Consideration received: SGD'000

Cash received	679
---------------	-----

As at
26 December
2023

Analysis of assets and liabilities over which control was lost: SGD'000

Property, plant and equipment	27
Right-of-use assets	33
Intangible assets	199
Inventories	168
Trade and other receivables	741
Cash and cash equivalents	19
Trade and other payables	(603)
Lease liabilities	(33)
Deferred tax liabilities	(15)

Net assets disposal of	536
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Gain on disposal of a subsidiary:

Consideration received	679
Net assets disposal of	(536)
Non-controlling interests	102
Reclassification of cumulative translation reserve upon disposal of a subsidiary	31

Gain on disposal	276
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Net cash inflow arising on disposal:

Cash consideration	679
Less: cash and cash equivalents disposed of	(19)

660

The impact of Maliang on the Group's results and cash flows in the prior periods is disclosed in note 12.

Notes to the Consolidated Financial Statements

31. OPERATING LEASE COMMITMENTS

The Group as lessor

Certain of the Group's motor vehicles were leased to a number of customers. The rental income during the years ended 31 December 2024 and 2023 were approximately SGD3,313,000 and SGD4,069,000 respectively. As at 31 December 2024 and 2023, the minimum rent receivables of the Group under non-cancellable operating leases in respect of motor vehicles are as follows:

	2024 SGD'000	2023 SGD'000
Not later than one year	827	1,711
Later than one year and not later than two years	140	389
Later than two years and not later than three years	21	63
Later than three years and not later than four years	5	20
Later than four years and not later than five years	–	3
	993	2,186

32. COMMITMENTS

As at 31 December 2024 and 2023, the Group did not have significant commitments.

33. RELATED PARTY TRANSACTIONS

In addition to the transactions and balances disclosed elsewhere in the consolidated financial statements, the following transactions were carried out with related parties:

(i) Significant related party transactions

The Group did not have other significant transactions with related parties.

(ii) Compensation of key management

Remuneration of key management personnel, who are directors of the Company, during the years ended 31 December 2024 and 2023 were disclosed in Note 13.

Notes to the Consolidated Financial Statements

34. SUMMARY OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES BY CATEGORY

The following table shows the carrying amounts of financial assets and liabilities:

	2024 SGD'000	2023 SGD'000
Financial assets		
Financial assets at amortised cost (Note)		
– Trade and other receivables	4,888	3,478
– Cash and cash equivalents	5,381	4,874
	10,269	8,352
Financial liabilities		
Financial liabilities at amortised cost (Note)		
– Trade and other payables	5,198	6,086
– Bank and other borrowings	2,139	4,015
– Lease liabilities	2,293	4,340
	9,630	14,441

Note:

Above financial instruments which are measured at amortised costs are not measured at fair value. Due to the effective interest rates approximate the prevailing market interest rates, the carrying values of the above financial instruments approximate their fair values.

35. FINANCIAL RISK MANAGEMENT AND CAPITAL MANAGEMENT

The Group is exposed to a variety of financial risks which comprise credit risk, interest rate risk and liquidity risk. The Group's overall risk management focuses on the unpredictability of financial markets and seek to minimise potential adverse effects on the Group's financial performance. Risk management is carried out by the key management under the policies approved by the board of directors. The Group does not have written risk management policies. However, the directors meet regularly to identify and evaluate risks and to formulate strategies to manage financial risks.

Generally, the Group employs a conservative strategy regarding its financial risk management. As the directors consider that the Group's exposure to financial risks is kept at a minimum level, the Group has not used any derivatives or other instruments for hedging purposes. The most significant risks to which the Group is exposed to are described below:

Notes to the Consolidated Financial Statements

35. FINANCIAL RISK MANAGEMENT AND CAPITAL MANAGEMENT *(Continued)*

(a) Credit risk

Credit risk refers to the risk that the counterparty to a financial instrument would fail to discharge its obligation under the terms of the financial instrument and cause a financial loss to the Group.

The Group's credit risk is primarily attributable to its trade and other receivables and bank balances. Management has a credit policy in place and the exposures to credit risk are monitored on an ongoing basis.

The Group always measures the loss allowance for trade receivables at an amount equal to lifetime expected credit losses. The Group assessed expected credit losses individually for trade receivables with significant and credit impaired balance and collectively that are not individually significant. The expected credit losses on individually insignificant trade receivables are estimated using a provision matrix by reference to past default experience of the debtors with changes in current market condition in which the debtors' operate. The expected credit losses also incorporate forward-looking information with reference to general macroeconomic conditions that may affect the ability of the debtors to settle receivables. Trade receivables are normally due ranged from 30 to 90 days. Normally, the Group does not obtain collateral from customers.

The Group applies the simplified approach to providing for ECLs prescribed by HKFRS 9, which permits the use of lifetime expected loss provision for all trade receivables. To measure the ECLs, trade receivables are grouped based on shared credit risk characteristics and the days past due. Expected loss rate of current trade receivables is assessed to be 0.3% (2023: 0.1%). The ECLs for trade receivables past due within 90 days is assessed to be 2% (2023: 2%) and within 180 days is assessed to be 3% (2023: 3%). For the trade receivables over 180 days and within 365 days, the ECLs is assessed to be 7% (2023: 7%) and over 365 days is assessed to be 20% (2023: 15%). Trade receivables are written off where there is no reasonable expectation of recovering indicators during the year ended 31 December 2024, such as liquidation process of a customer. The directors of the Company assessed and measured ECLs based on reasonable and supportable information that is available without undue cost or effort about past events, current conditions and forecasts of future economic conditions as at the reporting date. The directors assessed the risk or probability that a credit loss will occur remained minimal and did not fluctuate significantly since the last reporting date. Moreover, the Group's operations are principally conducted in Singapore and the PRC and there has not been any significant adverse events which affected the economy of these locations during the years ended 31 December 2024 and 2023 and it is expected that their future economic conditions will continue to remain steady. The movement of loss allowance for these balances as at 31 December 2024 and 2023 is set out in Note 21.

Notes to the Consolidated Financial Statements

35. FINANCIAL RISK MANAGEMENT AND CAPITAL MANAGEMENT *(Continued)*

(a) Credit risk *(Continued)*

The following tables provide information about the Group's exposure to credit risk and ECLs for trade receivables:

	Gross carrying amount SGD'000	Expected credit losses rate %	Expected credit losses allowance SGD'000	Net carrying amount SGD'000
As at 31 December 2024				
Collectively assessed				
Not yet past due	137	0.3	— [#]	137
Less than 60 days	837	2	(16)	821
61 – 90 days	216	2	(4)	212
91 – 180 days	317	3	(10)	307
181 – 365 days	516	7	(36)	480
Over 365 days	281	20	(57)	224
	2,304		(123)	2,181
Individually assessed	59	100	(59)	—
	2,363		(182)	2,181

[#] Represents amount less than SGD1,000

	Gross carrying amount SGD'000	Expected credit losses rate %	Expected credit losses allowance SGD'000	Net carrying amount SGD'000
As at 31 December 2023				
Collectively assessed				
Not yet past due	647	0.1	— [#]	647
Less than 60 days	935	2	(19)	916
61 – 90 days	350	2	(7)	343
91 – 180 days	291	3	(9)	282
181 – 365 days	124	7	(9)	115
Over 365 days	212	15	(33)	179
	2,559		(77)	2,482
Individually assessed	471	100	(471)	—
	3,030		(548)	2,482

[#] Represents amount less than SGD1,000

Notes to the Consolidated Financial Statements

35. FINANCIAL RISK MANAGEMENT AND CAPITAL MANAGEMENT *(Continued)*

(a) Credit risk *(Continued)*

Expected loss rates are based on actual loss experience over the past 2 years. These rates are adjusted to reflect differences between economic conditions during the period over which the historic data has been collected, current conditions and the Group's view of economic conditions over the expected lives of the receivables.

The Group applies the general approach to providing for expected credit losses prescribed by HKFRS 9, which requires the use of the 12m ECL for the other receivables. As the end of the reporting period, other receivables amount to approximately SGD1,746,000 (2023: SGD439,000) subject to impairment assessment, the Group considered the expected credit loss for current year amount approximately SGD51,000 (2023: SGD1,000). To measure the expected credit losses, these other receivables have been based on individual risk assessment. The expected credit losses below also incorporate forward-looking information.

The following table provide information about the Group's exposure to credit risk and ECLs for other receivables:

	Gross carrying amount SGD'000	Average expected credit losses rate %	Expected credit losses allowance SGD'000	Net carrying amount SGD'000
As at 31 December 2024				
Individually assessed	1,746	3%	(51)	1,695
	Gross carrying amount SGD'000	Average expected credit losses rate %	Expected credit losses allowance SGD'000	Net carrying amount SGD'000
As at 31 December 2023				
Individually assessed	439	0.2%	(1)	438

For the trade receivables considered by the management to have high concentration risk, the Group has assessed that the expected credit losses for these receivables are not material under the lifetime expected credit losses method.

Notes to the Consolidated Financial Statements

35. FINANCIAL RISK MANAGEMENT AND CAPITAL MANAGEMENT *(Continued)*

(a) Credit risk *(Continued)*

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The default risk of the industry and country in which customers operate also has an influence on credit risk but to a lesser extent. The concentration of credit risk due from the Group's largest debtor and five largest debtors are listed below:

	2024	% of total	2023	% of total
	SGD'000	trade receivables	SGD'000	trade receivables
Largest debtor	337	15%	214	8%
Top five debtors	995	44%	996	39%

In respect of bank balances, the credit risk is limited because majority of the deposits are placed with reputable financial institutions in Singapore.

The credit policies have been consistently applied during the years ended 31 December 2024 and 2023 and are considered to be effective in managing the Group's exposure.

(b) Interest rate risk

Interest rate risk relates to the risk that the fair value or cash flows of a financial instrument will fluctuate because of changes in market interest rate. The Group's interest rate risk mainly arises from bank and other borrowings, certain other payables and lease liabilities. Borrowings arranged at variable rates expose the Group to cash flow interest rate risk.

All of the Group's bank and other borrowings and certain other payables as at 31 December 2024 bore interest at fixed rates (2023: fixed rates) whereas its lease liabilities bore interest at fixed rates. Details of bank and other borrowings, certain other payables and lease liabilities are disclosed in Notes 24, 23 and 16(b) respectively.

The Group's bank balances also expose it to cash flow interest rate risk due to the fluctuation of the prevailing market interest rate on bank balances. The directors of the Company consider the Group's exposure to interest rate risk in respect of bank balances is not significant due to low level of deposit interest rate.

The Group currently does not have an interest rate hedging policy. However, the management closely monitors interest rate exposure and will consider hedging significant interest rate exposure should the need arise.

Notes to the Consolidated Financial Statements

35. FINANCIAL RISK MANAGEMENT AND CAPITAL MANAGEMENT *(Continued)*

(b) Interest rate risk *(Continued)*

The following sensitivity analysis demonstrates the Group's exposure to a reasonably possible change in interest rates on its bank borrowings, lease liabilities and certain other payable with all other variables held constant at the end of the reporting period (in practice, the results may differ from the sensitivity analysis below and the difference could be material):

	Increase/(decrease) in net loss and decrease/(increase) in reserves	
	2024	2023
	SGD'000	SGD'000
Changes in interest rate		
+1%	66	112
-1%	(66)	(112)

The changes in interest rates do not affect the Group's other component of equity. The above sensitivity analysis is prepared based on the assumption that the borrowing period of the bank borrowings outstanding at the end of the reporting period resemble that of the corresponding financial years. The assumed changes in interest rate are considered to be reasonably possible based on observation of current market conditions and represents management's assessment of a reasonably possible change in interest rate over the period until the next annual reporting period.

(c) Liquidity risk

Liquidity risk relates to the risk that the Group will not be able to meet its obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group is exposed to liquidity risk in respect of settlement of trade and other payables, its financing obligations and lease liabilities, and also in respect of its cash flow management. The Group's policy is to regularly monitor its liquidity requirements to ensure that it maintains sufficient reserves of cash and adequate committed lines of funding from major financial institutions to meet its liquidity requirements in the short and longer term. The liquidity policy has been followed by the Group consistently during the years ended 31 December 2024 and 2023 is considered to be effective in managing liquidity risks.

The following tables summarise the remaining contractual maturities of the Group's financial liabilities including trade and other payables, bank borrowings and lease liabilities, based on undiscounted cash flows (including interest payments computed using contractual rates or if floating, based on rates ruling as at the end of the reporting period) and the earliest date the Group can be required to pay.

Notes to the Consolidated Financial Statements

35. FINANCIAL RISK MANAGEMENT AND CAPITAL MANAGEMENT *(Continued)*

(c) Liquidity risk *(Continued)*

	Carrying amount SGD'000	Total contractual undiscounted cash flow SGD'000	Within 1 year or on demand SGD'000	More than 1 year but less than 2 years SGD'000	More than 2 years but less than 5 years SGD'000	More than 5 years SGD'000
As at 31 December 2024						
Trade and other payables	5,198	5,248	3,310	1,938	-	-
Bank borrowings	2,139	2,188	1,389	765	34	-
Lease liabilities	2,293	2,437	899	725	765	48
	9,630	9,873	5,598	3,428	799	48
As at 31 December 2023						
Trade and other payables	6,086	6,144	5,136	1,008	-	-
Bank borrowings	4,015	4,170	1,584	1,577	1,009	-
Lease liabilities	4,340	4,652	1,585	1,614	1,352	101
	14,441	14,966	8,305	4,199	2,361	101

(d) Currency risk

The Group mainly located in Singapore with most of the transactions settled in SGD and did not have significant exposure to risk resulting from changes in foreign currency exchange rate.

(e) Capital management

The Group's capital management objectives are to safeguard the Group's ability to continue as a going concern in order to provide returns to shareholders and benefits for other stakeholders, to maintain an optimal capital structure, to reduce the cost of capital and to support the Group's stability and growth.

The Group monitors capital using gearing ratio, which is total debts to equity. Management of the Group considered total debts represented loans from external parties, which include bank and other borrowings, amounts due to related parties/companies and lease liabilities. Equity represents total equity of the Group.

The directors of the Company actively and regularly review and manage the Group's capital structure, taking into consideration the future capital requirements of the Group, to ensure optimal shareholders' returns. The Group manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, raise new debts or sells assets to reduce debts.

Notes to the Consolidated Financial Statements

35. FINANCIAL RISK MANAGEMENT AND CAPITAL MANAGEMENT *(Continued)*

(e) Capital management *(Continued)*

The gearing ratios as at 31 December 2024 and 2023 were as follows:

	2024 SGD'000	2023 SGD'000
Bank and other borrowings, secured	2,139	4,015
Lease liabilities	2,293	4,340
Amounts due to related parties/companies	2,197	2,893
Total debts	6,629	11,248
Total equity	6,237	6,182
Gearing ratio	1.06 times	1.82 times

36. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

The table below details changes in the Group's liabilities arising from financing activities. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's consolidated statements of cash flows from financing activities.

For the year ended 31 December 2024	At the beginning of the year SGD'000	Lease commencement SGD'000	Lease termination SGD'000	Interest accrued SGD'000	Interest paid under operating cash flows SGD'000	Financing cash flows SGD'000	Exchange realignment SGD'000	At the end of the year SGD'000
Lease liabilities	4,340	293	(15)	146	(146)	(2,327)	2	2,293
Bank and other borrowings, secured	4,015	-	-	88	(88)	(1,876)	-	2,139
Amounts due to related parties/companies	2,893	-	-	30	-	(598)	(128)	2,197
For the year ended 31 December 2023	At the beginning of the year SGD'000	Lease commencement SGD'000	Disposal of a subsidiary SGD'000	Interest accrued SGD'000	Interest paid under operating cash flows SGD'000	Financing cash flows SGD'000	Exchange realignment SGD'000	At the end of the year SGD'000
Lease liabilities	4,207	2,433	(33)	179	(179)	(2,264)	(3)	4,340
Bank and other borrowings, secured	5,469	-	-	131	(131)	(1,454)	-	4,015
Amounts due to related parties/companies	2,690	-	(72)	54	-	327	(106)	2,893

Summary of Financial Information

The following is a summary of the published results and assets and liabilities of the Group for the last five financial years.

RESULTS:

	Years ended 31 December				
	2024	2023	2022	2021	2020
	SGD'000	SGD'000	SGD'000	SGD'000	SGD'000
Revenue	87,839	105,261	81,575	57,144	22,297
Loss before income tax expense	(1,334)	(1,437)	(1,929)	(447)	(658)
Income tax (expense)/credit	(181)	(56)	88	(212)	(131)
Profit/(loss) and total comprehensive income/(expense) for the year	55	(2,067)	(2,272)	(1,248)	(794)

ASSETS AND LIABILITIES:

	As at 31 December				
	2024	2023	2022	2021	2020
	SGD'000	SGD'000	SGD'000	SGD'000	SGD'000
Total non-current assets	6,545	12,309	15,198	15,884	14,050
Total current assets	12,210	10,501	10,410	11,887	8,514
Total current liabilities	8,366	10,212	9,336	10,823	7,575
Total non-current liabilities	4,152	6,416	7,921	6,325	4,061
Total equity	6,237	6,182	8,351	10,623	10,928