KPM HOLDING LIMITED
吉輝控股有限公司*

Incorporated in the Cayman Islands with limited liability

Stock Code: 8027

2024
ANNUAL REPORT

* For identification purpose only

CHARACTERISTICS OF GEM OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE "STOCK EXCHANGE")

GEM has been positioned as a market designed to accommodate small and mid-sized companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration.

Given that the companies listed on GEM are generally small and mid-sized companies, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board and no assurance is given that there will be a liquid market in the securities traded on GEM.

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This report, for which the directors (the "Directors") of KPM Holding Limited (the "Company") collectively and individually accept full responsibility, include 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 (1) the information contained in this report is accurate and complete in all material respects and not misleading and deceptive; (2) there are no other matters the omission of which would make any statement herein or this report misleading; (3) all opinions expressed in this report have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.

The original report is prepared in the English language. This report is translated into Chinese. In the event of any inconsistencies between the Chinese and the English version, the latter shall prevail.

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BOARD OF DIRECTORS

Executive Directors

Mr. Tan Thiam Kiat Kelvin *(Chairman)*
Ms. Lin Sin Huei

Independent non-executive Directors

Mr. Lock Kiu Yin
Mr. Lau Muk Kan
Mr. Xiao Laiwen

AUDIT COMMITTEE MEMBERS

Mr. Lock Kiu Yin *(Chairman of audit committee)*
Mr. Lau Muk Kan
Mr. Xiao Laiwen

NOMINATION COMMITTEE MEMBERS

Mr. Lau Muk Kan *(Chairman of nomination committee)*
Mr. Lock Kiu Yin
Mr. Xiao Laiwen

REMUNERATION COMMITTEE MEMBERS

Mr. Xiao Laiwen *(Chairman of remuneration committee)*
Mr. Lau Muk Kan
Mr. Lock Kiu Yin

COMPLIANCE OFFICER

Mr. Tan Thiam Kiat Kelvin

COMPANY SECRETARY

Mr. Man Yun Wah

AUTHORISED REPRESENTATIVES

Mr. Tan Thiam Kiat Kelvin
Mr. Man Yun Wah

INDEPENDENT AUDITOR

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188 Lockhart Road, Wan Chai
Hong Kong

REGISTERED OFFICE

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PO Box 1350
Grand Cayman KY1-1108
Cayman Islands

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS

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Singapore 507601

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

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CORPORATE INFORMATION

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE IN CAYMAN ISLANDS

Ocorian Trust (Cayman) Ltd.
Windward 3, Regatta Office Park
PO Box 1350
Grand Cayman KY1-1108
Cayman Islands

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Union Registrars Limited
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338 King's Road
North Point
Hong Kong

PRINCIPAL BANKER

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Marina Bay Financial Centre Tower 3
Singapore 018982

COMPANY'S WEBSITE

www.kpmholding.com

STOCK CODE

8027

CHAIRMAN'S STATEMENT

Dear Shareholders,

On behalf of the board (the "Board") of directors (the "Directors") of KPM Holding Limited (the "Company"), I am pleased to present the annual report and the audited consolidated financial statements of the Company and its subsidiaries (collectively referred to as the "Group") for the year ended 31 December 2024.

PERFORMANCE

For the year ended 31 December 2024, the Group recorded a 13.4% increase in revenue from approximately S$14,008,000 in 2023 to approximately S$15,889,000 in 2024. Gross profit and loss for the year of the Group were approximately S$3,784,000 (2023: S$5,212,000) and approximately S$902,000 (2023: S$2,280,000) respectively.

OUTLOOK

Looking forward, the demand in the construction sector activities in Singapore will remain stable, yet the construction industry in the PRC is anticipated to continue facing challenges due to an unfavorable economic climate, the fierce competition in bidding prices and higher material costs. In light of these circumstances, the Group may strategically allocate more resources to its business operations in Singapore, which are likely to be more profitable. The Group will continue to manage its expenditures, review the business strategy constantly and look for other business opportunities to cope with existing market environment in a cautious and prudent manner.

APPRECIATION

On behalf of the Board, I would like to express my sincere gratitude to the management and staff of the Group for their hard work and dedication as well as to our shareholders and business partners for the continued support.

Tan Thiam Kiat Kelvin
Chairman and Executive Director

31 March 2025

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

Revenue and Results

For the year ended 31 December 2024, the Group recorded a revenue of approximately S$15,889,000 (2023: S$14,008,000) and loss of approximately S$902,000 (2023: S$2,280,000).

Revenue had increased by approximately 13.4% or S$1,881,000. The gross profit and gross profit margin for the year ended 31 December 2024 was approximately S$3,784,000 (2023: S$5,212,000) and approximately 23.8% (2023: 37.2%) respectively. Increase of revenue is mainly due to a slight growth in the demand of fitting-out and renovation services.

Other income for the year ended 31 December 2024 included bank interest income of approximately S$71,000 and government grants of approximately S$34,000.

For the year ended 31 December 2024, the Group recorded a foreign exchange gain of approximately S$19,000 which was mainly arise from trade receivables, contract assets and cash and cash equivalents denominated in Hong Kong dollars which was appreciating against Singapore dollars.

Selling and administrative expenses for the year ended 31 December 2024 was approximately S$4,154,000 (2023: S$3,529,000) representing an increase of approximately S$625,000 or 17.7% mainly due to higher advertisement and other expenses incurred.

The Group recorded the allowances for expected credit losses ("ECL"), net for the year ended 31 December 2024 of approximately S$410,000, compared to approximately S$3,317,000 for the corresponding period in 2023. To ensure the adequacy of allowance for ECL on loan receivables, the Group engaged an independent firm of professional valuers to conduct a valuation on the allowances for expected credit losses recognised during the years ended 31 December 2024 and 2023.

The simplified approach is adopted to assess the ECL of the trade receivables and contract assets prescribed by IFRS 9, in which the ECL is based on the assessments considering the historical credit loss experience on trade receivables and contract assets and available reasonable and supportive forward-looking information. There were no changes in valuation method compared to the previous year.

The key assumptions adopted in the valuation include (i) market trends and conditions where the debtors operate will not deviate significantly from economic forecasts in general; and (ii) the loss rates or probabilities of default derived from the historical loss experience and/or extracted from the public sources are assumed to be unbiased.

The allowances for ECL mainly represented the ECL of trade receivables. The Company's debtors were adversely impacted by the prevailing economic downturn, impacting the recoverability of the receivables. Trade receivables past due for over one year are higher than those of previous year, leading to an increase in ECL as a higher credit loss rate is adopted to account for the heightened default risk associated with such receivables.

Further details of the ECL are set out in note 32 to the consolidated financial statements in this annual report.

The Group recorded a loss before tax for the year ended 31 December 2024 of approximately S$706,000, compared to approximately S$1,960,000 for the corresponding period in 2023. The decrease was mainly attributable to the decrease in the allowance for ECL recognised during the year ended 31 December 2024.

Loss for the year ended 31 December 2024 was approximately S$902,000, compared to approximately S$2,280,000 for the corresponding period in 2023.

Liquidity and Financial Resources

The Group's exposure to liquidity risk arises in the general funding of the Group's operations, in particular, that the duration of the contracts span from 1 month to 4 years and during which the amount of progress claim vary from month to month depending on the provision of signage and related products for the month. The supply and installation schedule is as directed by the customer, in accordance with the main contractor's schedule. As such, the Group actively manage our customers' credit limits, aging, and repayment of retention monies and monitor the operating cash flows to ensure adequate working capital funds and repayment schedule is met.

For the year ended 31 December 2024, the cash and cash equivalents of the Group has increased by approximately S$213,000. This was mainly arise from net cash from operating activities of approximately S$1,684,000, offset with payment for financial asset at FVTPL of S$1,000,000, repayment of bank loan and its interest of approximately S$424,000 and repayment of lease liabilities and its interest of approximately S$141,000.

The total interest-bearing borrowing of the Group as at 31 December 2024 was approximately S$2,514,000 (2023: S$2,804,000). The Group's gearing ratio as at 31 December 2024 was approximately 14.2% (2023: approximately 15.2%), which is calculated as the Group's total borrowing over the Group's total assets.

As at 31 December 2024, the Group had cash and cash equivalents of approximately S$4,505,000 (2023: S$4,292,000) which were placed with major banks in Singapore and Hong Kong.

BUSINESS REVIEW

Revenue from the sale of signage, bollard, variable-message signs, bus stops and aluminium railing in the public and private sectors in Singapore was amounted to approximately S$11,835,000 and S$11,639,000 for the years ended 31 December 2024 and 2023 respectively. The demand in construction sector activities in Singapore remained stable.

Revenue from the business of provision of fitting-out and renovation services for commercial premises and residential developments amounted to approximately S$4,054,000 and S$2,369,000 during the years ended 31 December 2024 and 2023 respectively. The Group is responsible for the overall management of the contracted projects which involves sourcing, procurement and quality control of materials, arrangement of subcontractors, and supervision and inspection of the project progress until completion and may also provide design services upon clients' request. The revenue has increased by approximately S$1,685,000, mainly due to a slight growth in the demand of the fitting-out and renovation services business.

FOREIGN EXCHANGE EXPOSURE

The Group transacts mainly in Singapore Dollars, which is the functional currency of the Group. The Group is of the opinion that its exposure to foreign exchange rate risk is limited. The Group currently does not have a foreign currency hedging policy. However, the management monitors foreign exchange exposure closely and will consider hedging significant foreign currency exposure should the need arise. The Group had an unrealised foreign exchange gain of approximately S$19,000 mainly arise from trade receivables, contract assets and cash and cash equivalents denominated in Hong Kong Dollars which was appreciated against the Singapore Dollars.

SIGNIFICANT INVESTMENTS HELD, MATERIAL ACQUISITIONS AND DISPOSALS, AND FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

There were no significant investments held, nor were there any material acquisitions and disposals of subsidiaries, associates and joint ventures during the year ended 31 December 2024. The Group had no specific future plan for material investments or capital assets as at 31 December 2024.

CHARGES ON GROUP'S ASSETS

As at 31 December 2024, the Group's borrowings are secured by the lessor's title to the relevant leasehold land, building and leased motor vehicles with the aggregate carrying values amounting to approximately S$2,939,000 (2023: S$3,098,000).

CAPITAL COMMITMENTS

As at 31 December 2024, the Group did not have any capital commitment (2023: Nil).

EMPLOYEE INFORMATION

As at 31 December 2024, the Group had an aggregate of 86 (2023: 88) employees.

The employees of the Group are remunerated according to their job scope and responsibilities. The local employees are also entitled to discretionary bonus depending on their respective performance. The foreign workers are employed on one or two year contractual basis and are remunerated according to their work skills. The Company has adopted a share option scheme for the grant of share options to eligible participants which includes the employees. The Group also provides staff training for the employees.

Total staff costs, including Directors' emoluments, amounted to approximately S$4,084,000 for the year ended 31 December 2024 (2023: S$4,319,000).

EXECUTIVE DIRECTORS

Mr. Tan Thiam Kiat Kelvin (陳添吉), age 52, a co-founder, an executive Director and the Chairman of the Group. He was first appointed as the Director on 10 March 2015. Mr. Tan Thiam Kiat Kelvin is also the director of Signmechanic Pte Ltd ("Signmechanic Singapore"), appointed on 1 December 1997. He has more than 20 years of experience in the signage industry.

Mr. Tan Thiam Kiat Kelvin started his career as a project team member in a company whose principal business was in signage related works. Signmechanic Singapore was acquired by Mr. Tan Thiam Kiat Kelvin and Mr. Tan Kwang Hwee Peter (who was an ex-colleague in that company) years after.

Since 1997, Mr. Tan Thiam Kiat Kelvin has been involved in Signmechanic Singapore, focusing on the growth of the business. Mr. Tan Thiam Kiat Kelvin is involved in overall management, strategic planning and business development, and maintains relationships with key customers in the public infrastructure sector.

Mr. Tan Thiam Kiat Kelvin graduated with a diploma in electronic engineering from Ngee Ann Polytechnic, Singapore in August 1992.

Ms. Lin Sin Huei (林欣慧), aged 32, was appointed as an executive Director on 8 November 2023.

Ms. Lin Sin Huei obtained certificates of Interior Decoration & Repairs Management of a Building and Interior Design of a Building from Shih Chien University. Ms. Lin Sin Huei has 10 years of experience in the construction industry, specially in the field of fitting out and renovation projects.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Lock Kiu Yin (陸翹彥), age 43, was appointed as an independent non-executive Director on 8 May 2018. He is currently the chairman of the audit committee and a member of the nomination committee and remuneration committee of the Company.

Mr. Lock Kiu Yin graduated from Curtin University of Technology with a Bachelor of Commerce degree in accounting and accounting technologies in 2004. He is a member of CPA Australia. He has more than 10 years of experience in accounting and finance.

DIRECTORS AND SENIOR MANAGEMENT PROFILE

Mr. Lau Muk Kan (劉木根), age 74, was appointed as an independent non-executive Director on 13 June 2018. He is currently the chairman of the nomination committee and a member of the audit committee and remuneration committee of the Company.

Mr. Lau Muk Kan has engaged in the manufacturing industry for over 30 years. He has extensive experience in business management and corporation operation management.

Mr. Xiao Laiwen (肖來文), age 36, was appointed as an independent non-executive Director on 9 November 2019. He is currently the chairman of the remuneration committee and a member of the audit committee and nomination committee of the Company.

Mr. Xiao Laiwen graduated from Xiangtan University with a bachelor's degree in economics. He has extensive experience in the manufacturing and technology industries.

SENIOR MANAGEMENT

Mr. Soh Chiau Kim (蘇招金), age 45, was appointed as the general manager of the Company since March 2013. He is responsible for overall management of operations, with a focus on the execution of contracts. His roles include managing, executing and coordinating the entire contracts, in particular larger value road infrastructure projects.

COMPANY SECRETARY

Mr. Man Yun Wah (文潤華), age 42, is the company secretary of the Company. He was appointed as the company secretary of the Company since 8 November 2023. Mr. Man Yun Wah holds a bachelor's degree in business administration and management and a master's degree in corporate governance. He is currently an associate member of both The Chartered Governance Institute and The Hong Kong Chartered Governance Institute.

COMPLIANCE OFFICER

Mr. Tan Thiam Kiat Kelvin is an executive Director and the compliance officer of the Company. His biographical details and professional qualifications are set out on page 9 of this report.

CORPORATE GOVERNANCE PRACTICES

The Board considers good corporate governance is a key element in managing the business and affairs of the Group. The management of the Group periodically reviews and proposes amendments to its corporate governance practices for compliance with the Corporate Governance Code (the "CG Code") as set out in Appendix C1 to the GEM Listing Rules. In the opinion of the Board, the Company has complied with the CG Code during the year ended 31 December 2024.

CORPORATE CULTURE AND STRATEGY

The Board has established the Group's purpose, values and strategy, and has satisfied that they are aligned with the Group's culture. All directors must act with integrity, lead by example, and promote the desired culture. Such culture should instil and continually reinforce across the organisation values of acting lawfully, ethically and responsibly. By recognising the importance of stakeholders at the Board level and throughout the Group, we strive to create values to the stakeholders through sustainable growth and continuous development. The Board has set out the core values to provide guidance on employees' conduct and behaviours as well as the business activities, and to ensure they are embedded throughout the Company's vision, mission, policies and business strategies.

The Group recognises that a healthy corporate culture across the Group is vital for the Group to achieve its vision and mission towards sustainable growth, and has gradually developed a corporate culture emphasising on lawful, ethical and responsible business conduct over the years, which has been reflected in the overall operations and management of the Group. It is the Board's role to foster a healthy corporate culture and ensure that the Company's vision, values and business strategies are aligned to it. The Group will continuously review and adjust, if necessary, its business strategies and keep track of the changing market conditions to ensure prompt and proactive measures will be taken to respond to the changes and meet the market needs to foster the sustainability of the Group.

CODE OF CONDUCT FOR DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted a code of conduct regarding securities transactions by the Directors on terms no less exacting than the required standard of dealings set out in Rules 5.48 to 5.67 of the GEM Listing Rules. Having been made specific enquiry, all the Directors confirmed that they have complied with the required standard of dealings and the code of conduct regarding securities transactions by Directors adopted by the Company during the year ended 31 December 2024. The Company was not aware of any non-compliance with such required standard of dealings regarding securities transactions by Directors throughout the year ended 31 December 2024.

BOARD OF DIRECTORS

The Company is governed by the Board which has the responsibility for leadership and monitoring of the Company. The Directors are collectively responsible for promoting the success of the Group by directing and supervising the Group's affairs. As at the date of this report, the Board comprises five Directors of which two are executive Directors and three are independent non-executive Directors.

The Board sets strategies and directions for the Group's activities with a view to developing its business and enhancing shareholders' value. The Board has delegated the daily operation and day-to-day management of the Group as well as the implementation of the Board's policies and strategies to the executive Directors and management of the Group.

All Directors carry out their duties in good faith and in compliance with applicable laws and regulations, making decisions objectively and acting in the interests of the Company and its shareholders at all times.

The Group will continue to update the Directors on the latest developments regarding the GEM Listing Rules and other applicable regulatory requirements to ensure compliance and enhance their awareness of good corporate governance practices.

DIRECTORS' ATTENDANCE AT BOARD MEETING

During the year ended 31 December 2024, the Board held 4 board meetings and 1 general meeting and the attendance of each Director is set out as follows:

	Number of meetings attended/ eligible to attend	
Directors	**Board meetings**	**Annual general meeting**
Executive Directors		
Mr. Tan Thiam Kiat Kelvin	4/4	1/1
Ms. Lin Sin Huei	4/4	1/1
Independent non-executive Directors		
Mr. Lock Kiu Yin	4/4	1/1
Mr. Lau Muk Kan	4/4	1/1
Mr. Xiao Laiwen	4/4	1/1

APPOINTMENT AND RE-ELECTION OF THE DIRECTORS

Each of the executive Directors has entered into a service contract with the Company with an initial term of three years commencing from the execution date. Each of the independent non-executive Directors has signed a letter of appointment with the Company with a term of two years commencing from the execution date. By virtue of the articles of association of the Company, the Directors shall have the power from time to time and at any time to appoint any person as a Director either to fill a casual vacancy or as an addition Director but so that the number of Directors so appointed shall not exceed the maximum number determined from time to time by the shareholders in general meeting. Any Director appointed by the Board to fill a casual vacancy shall hold office until the first general meeting of shareholders after his appointment and be subject to re-election at such meeting. Any Director appointed by the Board as an addition to the existing Board shall hold office only until the next following annual general meeting of the Company and shall then be eligible for re-election.

Pursuant to the articles of association of the Company, all Directors, including those appointed for a specific term, are subject to retirement by rotation at least once every three years. At each annual general meeting, one-third of the Directors for the time being, or, if their number is not three or a multiple of three, then the number nearest to but not less than one-third, shall be subject to retirement by rotation at least once every three years. Such retiring Director shall be eligible for re-election.

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

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. The division of responsibilities between the chairman and chief executive officer should be clearly established and set out in writing. Mr. Tan Thiam Kiat Kelvin serves as the Chairman of the Company and he is responsible for Group's overall management, strategic planning and business development while the executive Directors, department heads and various committees collectively oversees the day-to-day management and operations of the Group, which fulfill the function of chief executive officer.

INDEPENDENT NON-EXECUTIVE DIRECTORS

The independent non-executive Directors are persons with relevant academic and professional qualifications. They advise the Company on strategic development, which enables the Board to maintain high standards of compliance with financial and other regulatory requirements. In compliance with Rules 5.05(1), 5.05(2) and 5.05A of the GEM Listing Rules, the Company has appointed three independent non-executive Directors representing more than one-third of the Board and with at least one of whom having appropriate professional qualifications, or accounting or related financial management expertise.

The Board has established mechanisms to ensure independent views and input are available to the Board, which the Board shall review on an annual basis to ensure the implementation and effectiveness of such mechanisms. A summary of the mechanism is set out below:

i) The Board shall ensure the appointment of at least three independent non-executive Directors and at least one-third of the Board members being independent non-executive Director.

ii) The Nomination Committee shall strictly adhere to the nomination policy and the independence assessment criteria as set out in the GEM Listing Rules with regard to the nomination and appointment of independent non-executive Directors. Every independent non-executive Director is required to inform the Company as soon as practicable if there is any change in his or her own personal particulars that may materially affect his or her independence and provide an annual confirmation of his or her independence pursuant to the GEM Listing Rules. The Nomination Committee is mandated to assess annually the independence of all independent non-executive Directors by reference to the independence criteria as set out in the GEM Listing Rules to ensure that they can continually exercise independent judgement.

iii) The Company shall ensure that the independent non-executive Directors be given the opportunity and channel to communicate and express their independent views and inputs to the Chairman, the Board and its committees. The Chairman of the Board shall at least annually hold meetings with the independent non-executive Directors without the presence of other Directors to discuss major issues and any concerns.

iv) The Director shall not vote or be counted in the quorum on any board resolution approving any contract or arrangement in which such Director or any of his/her close associates has a material interest.

None of the independent non-executive Directors has any business or financial interests in the Company and its subsidiaries, nor do they hold any executive positions in the Company, which effectively guaranteed their independence.

The Company has received from each of the independent non-executive Directors an annual confirmation of his independence pursuant to Rule 5.09 of the GEM Listing Rules and the Board considers that all the independent non-executive Directors to be independent and meet the requirements set out in Rule 5.09 of the GEM Listing Rules.

DIRECTORS' PARTICIPATION IN CONTINUOUS PROFESSIONAL TRAININGS

Any newly appointed Director will be given briefings on the business activities of the Group, its strategic directions, governance practices and Director's duties and obligations. During the year, the Directors received from the Company from time to time the updates on laws, rules and regulations which might be relevant to their roles, duties and functions as director of a listed company. All Directors have been updated with the latest developments regarding the GEM Listing Rules and other applicable regulatory requirement to ensure compliance and enhance their awareness of good corporate governance practices. In addition, continuing briefings and professional development to Directors will be arranged whenever necessary.

All Directors confirmed that they have participated in continuous professional development during the year ended 31 December 2024 by reading relevant articles and materials and attending seminars, courses or conferences to develop and refresh their knowledge and skills.

AUDIT COMMITTEE

The Company established an audit committee (the "Audit Committee") on 23 June 2015 with written terms of reference in compliance with the GEM Listing Rules and the CG Code. The Audit Committee consists of three independent non-executive Directors namely Mr. Lock Kiu Yin, Mr. Xiao Laiwen and Mr. Lau Muk Kan. Mr. Lock Kiu Yin, a Director with the appropriate professional qualifications, serves as the chairman of the Audit Committee.

Among other things, the primary duties of the Audit Committee are to make recommendation to our Board on the appointment, reappointment and removal of external auditor, monitor integrity of the Group's consolidated financial statements, review significant financial reporting judgements contained in them, oversee the Group's financial reporting, internal control, risk management systems and audit process and to perform other duties and responsibilities as assigned by the Board.

During the year ended 31 December 2024, the Audit Committee held 4 meetings and the attendance of each Audit Committee member is set out as follows:

Audit Committee members	Number of meetings attended/ eligible to attend
Mr. Lock Kiu Yin *(Chairman)*	4/4
Mr. Lau Muk Kan	4/4
Mr. Xiao Laiwen	4/4

The following is a summary of work performed by the Audit Committee during the year ended 31 December 2024:

(i) reviewed the Group's annual financial results for 2023, and the Group's half-yearly financial results for 2024;

(ii) reviewed in detail, with both management and the external auditors (a) the approach and methodology applied with respect to matters subject to external audit for the financial year ended 2024; and (b) significant findings of the external auditors pursuant to such external audit and management's response to external auditors' recommendations in respect of such findings;

(iii) reviewed the internal control, risk management and financial report matters; and

(iv) made recommendations on the appointment and resignation of external auditor.

REMUNERATION COMMITTEE

The Company established a remuneration committee (the "Remuneration Committee") on 23 June 2015 with written terms of reference in compliance with the GEM Listing Rules and the CG Code. The Remuneration Committee consists of three independent non-executive Directors namely Mr. Xiao Laiwen, Mr. Lock Kiu Yin and Mr. Lau Muk Kan. Mr. Xiao Laiwen serves as the chairman of the Remuneration Committee.

The primary duties of the Remuneration Committee include:

(i) making recommendations to the Board on the policy and structure for all remuneration of Directors and senior management and on the establishment of a formal and transparent procedure for developing policies on such remuneration;

(ii) make recommendations to the Board on the remuneration package of the Directors and senior management and ensure none of the Directors or their associates is involved in deciding their own remuneration; and

(iii) reviewing and approving the management's remuneration proposals by reference to corporate goals and objectives resolved by the Directors from time to time.

During the year ended 31 December 2024, the Remuneration Committee held 1 meeting and the attendance of each Remuneration Committee member is set out as follows:

Remuneration Committee members	Number of meetings attended/ eligible to attend
Mr. Xiao Laiwen *(Chairman)*	1/1
Mr. Lock Kiu Yin	1/1
Mr. Lau Muk Kan	1/1

During the year ended 31 December 2024, the Remuneration Committee has reviewed the Group's overall remuneration practices and scale, the share option scheme of the Company and other remuneration-related matters. It also deliberated on matters relating to the remuneration packages of the Directors and senior management.

NOMINATION COMMITTEE

The Company established a nomination committee (the "Nomination Committee") on 23 June 2015 with written terms of reference in compliance with the CG Code. The Nomination Committee consists of three independent non-executive Directors namely Mr. Lau Muk Kan, Mr. Xiao Laiwen and Mr. Lock Kiu Yin. Mr. Lau Muk Kan serves as the chairman of the Nomination Committee.

The primary function of the Nomination Committee is to review the structure, size, composition and diversity of the Board, assess the independence of independent non-executive Directors, make recommendations to the Board on the appointment or reappointment of Directors and review the board diversity policy and nomination policy of the Company.

During the year ended 31 December 2024, the Nomination Committee held 1 meeting and the attendance of each Nomination Committee member is set out as follows:

Nomination Committee members	Number of meetings attended/ eligible to attend
Mr. Lau Muk Kan *(Chairman)*	1/1
Mr. Lock Kiu Yin	1/1
Mr. Xiao Laiwen	1/1

During the year ended 31 December 2024, the Nomination Committee has reviewed the structure, size and composition of the Board, the independence of independent non-executive Directors and the board diversity policy and the nomination policy. It has also recommendations to the Board on the appointment and re-appointment of Directors.

Board Diversity

The Company has adopted a board diversity policy. The Company seeks to achieve Board diversity through consideration of a number of factors, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service. All Board appointments will be based on merit, and candidates will be considered against objective criteria, having due regard for the benefits of diversity on the Board. Upon the review of the Board's composition taking into account the diversity policy, the Nomination Committee considers that the Board has maintained an appropriate mix and balance of gender, age, ethnicity, skills, knowledge, experience and diversity of perspectives appropriate to the business requirements of the Company. The Nomination Committee and the Board review the board diversity policy and its implementation annually to ensure its continued effectiveness.

The Company is conscious of maintaining Board diversity with an appropriate level of members of both genders on the Board. All appointments of Directors will take into account the measurable objectives with regard to the benefits of diversity on the Board to develop a pipeline of potential successors to the Board to maintain gender diversity. For the year ended 31 December 2024, the Company has achieved the following measurable objectives that the Board has set for implementing the board diversity policy:

a. To ensure at least one member of the Board shall have obtained accounting or other professional qualification;

b. To ensure at least 50% of the members of the Board shall have attained professional diploma/certificate or higher level of education;

c. To ensure the Board has members of both genders ; and

d. To ensure the age distribution of the members of the Board comprised of people from at least two decades.

As at 31 December 2024, the Board comprised four males, representing 80% of the Board, and one female, representing 20% of the Board.

The Group strictly adheres to fair and appropriate employment practices and labour standards. With an anti-discriminatory and equal-opportunity policy in place, the Group provides job applicant and employees with equal opportunities of employment and promotion, and prohibits all forms of discrimination on gender, religion, race, disability or age. As at 31 December 2024, the gender composition of the workforce (including senior management) was approximately 76% male and approximately 24% female.

The Board considered that gender diversity of the Board and the workforce of the Group has been well maintained and in line with the industry which the Group operate its businesses in during the year end 31 December 2024. As such, the plan for the Group in terms of gender diversity in workforce is to maintain the balance of gender diversity in the foreseeable future.

Nomination Policy

The Board has adopted a nomination policy (the "Nomination Policy") which sets out the selection criteria and procedure of appointing and re-appointing a Director.

Selection criteria

In assessing the suitability of a proposed candidate, the Nomination Committee would consider factors including:

– character and integrity;

– professional qualifications, skills, knowledge and relevant experience in the industry;

– whether the candidate can contribute to the diversity of the Board, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skill, knowledge and length of service;

– willingness and ability of the candidate to devote adequate time to discharge duties as a member of the Board and/or Board committee(s) of the Company; and

– where the candidate is proposed to be appointed as an independent non-executive Director, whether the candidate is independent in the context of GEM Listing Rules.

These factors are for reference only, and not meant to be exhaustive and decisive. The Nomination Committee has the discretion to nominate any person, as it considers appropriate.

Nomination Procedures

The procedure of appointing and re-appointing a Director is summarised as follows:

– nomination and invitation of suitable candidates by any member of the Nomination Committee or the Board;

– evaluation of the candidate based on all selection criteria as set out in the Nomination Policy;

– performing due diligence in respect of each candidate and making recommendation for the Board's consideration and approval;

– in case of nomination of an independent non-executive Director, assessing the candidate's independence under the relevant code provisions of the CG Code and the GEM Listing Rules;

– in the context of re-appointment of retiring Directors, reviewing the candidate's overall contribution and performance and making recommendations to the Board and/or the shareholders for consideration in connection with his/her re-election at general meetings; and

– convening a meeting of the Board to consider the appointment or re-appointment of the candidate as a Director

The Nomination Committee shall review the nomination policy and assess its effectiveness on a regular basis or as required.

CORPORATE GOVERNANCE FUNCTIONS

The Board is responsible for performing the corporate governance functions as set out in the CG Code.

During the year ended 31 December 2024, the Board has reviewed and monitored the Company's corporate governance policies and practices, training and continuous professional development of Directors and senior management, the Company's policies and practices on compliance with legal and regulatory requirements, the Company's code of conduct and the compliance with the CG Code and disclosure in this Corporate Governance Report.

REMUNERATION OF DIRECTORS AND SENIOR MANAGEMENT

Particulars of the Directors' remuneration and the five highest paid employees for the year ended 31 December 2024 are set out in note 11 to the consolidated financial statements in this annual report.

The remuneration of the members of the senior management (other than the Directors), whose particulars are contained in the section headed "Directors and Senior Management Profile" of the annual report, for the year ended 31 December 2024 by band is set out below:

Remuneration band	Number of individuals
Nil to HK$1,000,000	1

AUDITORS' REMUNERATION

The remuneration payable to the Company's external auditors, McMillan Woods (Hong Kong) CPA Limited, for the year ended 31 December 2024, is set out as follows:

	Fees paid/ payable S$
Annual audit services	109,755

The amount of fees charged by the auditors generally depends on the scope and volume of the auditors' work.

RISK MANAGEMENT AND INTERNAL CONTROLS

The Board has the overall responsibility for evaluating and determining the nature and extent of the risks it is willing to take in achieving the Group's strategic objectives, and maintaining sound and effective risk management and internal control systems (including reviewing their effectiveness) to safeguard shareholder's investment and the Group's assets.

The Group has engaged an independent consultant (the "Consultant") to perform the internal audit functions and evaluate the risk management and internal control systems of the Group. The Consultant reported the risks and internal control weaknesses identified during the reviews and the recommended corrective actions directly to the Audit Committee. The Board has reviewed and will adopt the recommendations of the Consultants and the Audit Committee.

During the year ended 31 December 2024, the management presented to the Audit Committee and the Board on the Group's risk profile, status of risk mitigation action plans and results of various assurance activities carried out during the year ended 31 December 2024 on the Group's risk management and internal control systems addressing financial, operational, compliance and information technology risks. The assurance activities include controls self-assessment performed by the management, internal and external audits performed by independent professional parties and external certifications by external certification centers.

Based on the risk management framework and internal controls established and maintained by the Group, work performed by the independent professional parties and reviews performed by management, various Board committees and the Board, the Audit Committee and the Board consider the risk management and internal control systems of the Group to be adequate and effective for the year ended 31 December 2024.

The Board notes that system of risk management and internal controls established by the Group provides reasonable, but not absolute, assurance that the Group will not be adversely affected by any event that can be reasonably foreseen as it strives to achieve its business objectives. However, the Board also notes that no system of internal controls and risk management can provide absolute assurance in this regard, or absolute assurance against the occurrence of material errors, poor judgement in decision-making, human error, losses, fraud or other irregularities.

COMPANY SECRETARY

Mr. Man Yun Wah ("Mr. Man") has been appointed as the company secretary of the Company since 8 November 2023 pursuant to Rule 5.14 of the GEM Listing Rules. Mr. Man has taken no less than 15 hours of professional training during the year ended 31 December 2024.

SHAREHOLDERS' RIGHTS

The general meetings of the Group provide an opportunity for communication between the shareholders and the Board. An annual general meeting of the Company shall be held in each year and at the place as may be determined by the Board. The Board and the external auditor are present to address shareholders' queries.

Right to Convene Extraordinary General Meeting and Put Forward Proposals at General Meeting

Any one or more shareholder(s) holding, on the date of the deposit of the requisition, a minority stake in the total number of the issued shares of the Company, and the minimum stake required to do this shall not be less than 10% of the voting rights (on a one vote per share basis) in the issued share capital of the Company, shall at all times have the right, by written requisition sent to the Company's principal office as set out in the manner below, to require an extraordinary general meeting ("EGM") to be called by the Board for the transaction of any business or resolution specified in such requisition; and such meeting shall be held within two months after the deposit of such requisition. Such shareholder(s) shall also be entitled to add resolutions to the agenda for the extraordinary general meeting so concerned.

The written requisition must state the purposes of the meeting, signed by the requisitionist(s) and deposit it to the Board or the company secretary of the Company at the Company's principal place of business at Unit 1104A, 11/F, Kai Tak Commercial Building, 317-319 Des Voeux Road Central, Hong Kong, and such may consist of several documents in like form, each signed by one or more requisitionist(s).

The request will be verified with the Company's branch share registrar in Hong Kong and upon their confirmation that the request is proper and in order, the company secretary of the Company will ask the Board to convene an EGM by serving sufficient notice in accordance with the statutory requirements to all the shareholders. On the contrary, if the request has been verified not in order, the shareholders will be advised of this outcome accordingly, and an EGM will not be convened as requested. If within 21 days from the date of the deposit of the requisition the Board fails to proceed to convene such meeting, the requisitionist(s) may convene a meeting in the same manner, and all reasonable expenses incurred by the requisitionist(s) as a of the failure of the Board shall be reimbursed by the Group to the requisitionist(s).

Right to Put Enquiries to the Board

Shareholders have the right to put enquiries to the Board. All enquiries shall be in writing and sent by post to the principal place of business of the Company in Hong Kong for the attention of the company secretary.

CONSTITUTIONAL DOCUMENTS

There had been no change in the Company's constitutional documents during the year ended 31 December 2024. The articles of association of the Company are available on the websites of the Stock Exchange and the Company.

COMMUNICATION WITH SHAREHOLDERS AND INVESTOR RELATIONS

The Company believes that maintaining effective communication with the investment industry is crucial to having a deeper understanding of the Company's business and its development among investors. To achieve this goal and increase transparency, the Company will continue to adopt proactive measures to foster better investor relations and communications. The Company has adopted the shareholders communication policy with the objective of ensuring that the shareholders and potential investors are provided with ready, equal and timely access to balanced and understandable information about the Company. The Company has reviewed the implementation and effectiveness of such policy during the year ended 31 December 2024 and considered that it is sufficient and effective.

The Company has established several channels to communicate with the shareholders as follows:

(i) Corporate communications such as annual reports, interim reports and circulars are issued in printed form (if requested) and are available on the Stock Exchange's website at www.hkexnews.hk and the Company's website at www.kpmholding.com;

(ii) Periodic announcements are made through the Stock Exchange and published on the respective websites of the Stock Exchange and the Company;

(iii) Corporate information is made available on the Company's website;

(iv) Annual and extraordinary general meetings provide a forum for the shareholders to make comments and exchange views with the Board; and

(v) The Hong Kong branch share registrar of the Company serves the shareholders in respect of share registration, dividend payment and related matters.

Shareholders and investors may also write directly to the Company's principal place of business in Hong Kong for any inquiries.

ACCOUNTABILITY AND AUDIT FINANCIAL REPORTING

The management provides such explanation and information to the Board and reports to the Board on the financial position and prospects of the business of the Company so as to enable the Board to make an informed assessment of the financial and other information put before the Board for approval.

The Directors acknowledge their responsibilities for preparing the financial statements of the Group that give a true and fair view of the state of affairs of the Group. As at 31 December 2024, the Board was not aware of any material uncertainties relating to any events or conditions that might cast significant doubt upon the Group's ability to continue as a going concern and the Board has prepared the financial statements on a going concern basis.

The responsibility of the external auditor is to form an independent opinion, based on their audit, on those consolidated financial statements prepared by the Board and to report their opinion to the shareholders of the Company. A statement by the external auditor about their reporting responsibility is set out in the section headed "Independent Auditors' Report" of this report.

The Board is pleased to present the annual report and the audited consolidated financial statements of the Group for the year ended 31 December 2024.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. Details of the principal activities of the principal subsidiaries are set out in notes 1 and 36 to the consolidated financial statements in this annual report. The Group is principally engaged in the design, fabrication, installation and maintenance of signage and related products and the business of provision of fitting-out and renovation services for commercial premises and residential developments.

BUSINESS REVIEW

A review of the Group's performance, business activities and development is included in the Chairman's Statement and the Management Discussion and Analysis in the annual report.

RESULTS AND APPROPRIATIONS

The Group's financial performance for the year ended 31 December 2024 is set out in the consolidated statement of profit or loss and other comprehensive income on page 39 of this report and the financial position of the Group as at 31 December 2024 are set out in the consolidated statement of financial position on page 40 to page 41 of this report. The Directors do not recommend the payment of a final dividend for the year ended 31 December 2024.

DIVIDEND POLICY

The Company has adopted a dividend policy, pursuant to which the Company may declare and pay dividends to the shareholders of the Company. The recommendation of the payment of any dividend is subject to the absolute discretion of the Board, and any declaration of final dividend will be subject to the approval of the shareholders of the Company.

Subject to compliance with applicable laws, rules, regulations and the articles of association of the Company, in deciding whether to propose a dividend payout, the Board will take into account, among other things, the Group's actual and expected financial performance, expected working capital requirements, capital expenditure requirements and future expansion plans, the retained earnings and distributable reserves and liquidity position of the Group, the general economic conditions and any other factors that the Board deems relevant.

The Board will review the dividend policy from time to time and there is no assurance that dividends will be paid in any particular amount for any given period.

SUMMARY OF FINANCIAL INFORMATION

A summary of the results and of the assets and liabilities of the Group for the last five financial years is set out in the annual report. The summary does not form part of the audited financial statements.

CONTINGENT LIABILITIES, LEGAL AND POTENTIAL PROCEEDINGS

As at 31 December 2024, the Group did not have any material contingent liabilities, legal proceedings or potential proceedings.

KEY RISKS AND UNCERTAINTIES

The Board is ultimately responsible for ensuring that the risk management practices of the Group are sufficient to mitigate the risks present in our businesses and operations as efficiently and effectively as possible. The Board delegates some of this responsibility to various operational departments. The Group's financial position, operations, business and prospects may be affected by the following identified risks and uncertainties. The Group adopts risk management policies, measures and monitoring systems to pre-empt and contain exposures associated with the identified risks.

Liquidity risk

The Group's exposure to liquidity risk arises in the general funding of the Group's operations, in particular, that the duration of the contracts span from 1 month to 4 years and during which the amount of progress claim vary from month to month.

As such, the Group actively manages our customers' credit limits, aging, and repayment of retention monies and monitors the operating cash flows to ensure adequate working capital funds and repayment schedule is met.

Foreign Exchange Exposure

The Group transacts mainly in Singapore Dollars, which is the functional currency of the Group. The Group is of the opinion that its exposure to foreign exchange rate risk is limited. The Group does not have a foreign currency hedging policy but it continuously monitors its foreign exchange exposure and will apply appropriate measures if necessary.

GOING CONCERN

Based on the current financial position and financing facilities available, the Group has sufficient financial resources for ongoing operation in the foreseeable future. As such, the consolidated financial statements were prepared on a going concern basis.

PROPERTY, PLANT AND EQUIPMENT AND RIGHT-OF-USE ASSETS

Details of movements in the Group's property, plant and equipment and right-of-use assets during the year ended 31 December 2024 are set out in notes 15 and 16 to the consolidated financial statements.

BANK AND OTHER BORROWINGS

As at 31 December 2024, the Group's borrowings comprised the property loan of approximately S$1,603,000 (2023: S$1,943,000) and lease liabilities of approximately S$910,000 (2023: S$861,000). Details of the bank borrowings and lease liabilities are set out in notes 25 and 26 to the consolidated financial statements respectively.

SHARE CAPITAL

Details of movements in the Company's share capital during the year ended 31 December 2024 are set out in note 28 to the consolidated financial statements.

RESERVES

Details of change in reserves of the Group and the Company are set out on page 42 and page 101 of this report respectively.

DISTRIBUTABLE RESERVES

The Company may pay dividends out of the share premium account provided that immediately following the payment of such dividends, the Company will be in a position to pay off its debts as they fall due in the ordinary course of business.

As at 31 December 2024, the Company had distributable reserves amounting to S$15,488,351 (2023: S$15,488,351).

CHARITABLE CONTRIBUTIONS

No charitable contributions was made by the Group during the years ended 31 December 2024 and 2023.

EVENT AFTER THE REPORTING PERIOD

No significant events have taken place subsequent to 31 December 2024.

PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the Directors, at least 25% of the Company's total issued share capital was held by the public during the year ended 31 December 2024 and as at the date of this report.

MAJOR CUSTOMERS AND SUPPLIERS

During the year ended 31 December 2024, sales to the Group's five largest customers accounted for approximately 53.6% of total sales and sales to the largest customer included therein amounted to approximately 23.7% of total sales. The Group's five largest suppliers accounted for approximately 45.0% of total purchases during the year ended 31 December 2024 and purchases from the largest supplier included therein amounted to approximately 16.3% of total purchases.

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

ENVIRONMENTAL, SOCIAL AND GOVERNANCE

As a responsible corporation, the Group endeavours to protect the environment, promote environmental and social responsibility to employees and contribute to the community. The Group reviews its environmental practices from time to time and considers implementing further eco-friendly measures and practices in our daily operation. In terms of social responsibilities, the Group pays close attention to the employees' occupational health and safety and is constantly looking for opportunities to contribute to the balanced development of society.

For further details, please refer to the Company's Environmental, Social and Governance Report published on the same date as this annual report.

COMPLIANCE WITH RELEVANT LAWS AND REGULATIONS

During the year ended 31 December 2024, as far as the Company is aware, there was no material breach of or non-compliance with applicable laws and regulations by the Group that has a significant impact on the business and operations of our Group.

RELATIONSHIPS WITH STAKEHOLDERS

The Company recognises that employees are our valuable assets. Thus our Group provides competitive remuneration package to attract and motivate the employees. Our Group regularly reviews the remuneration package of employees and makes necessary adjustments to conform to the market standard.

Our Group also understands that it is important to maintain good relationship with our business partners, suppliers and customers to achieve its long-term goals. Accordingly, our senior management have kept good communication, promptly exchanged ideas and shares business update with them when appropriate. During the year, there was no material and significant dispute between our Group and its business partners, suppliers and customers.

DIRECTORS

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

Executive Directors

Mr. Tan Thiam Kiat Kelvin *(Chairman)*
Ms. Lin Sin Huei

Independent non-executive Directors

Mr. Lock Kiu Yin
Mr. Lau Muk Kan
Mr. Xiao Laiwen

One-third of the Directors shall retire from office by rotation and re-election at an annual general meeting of the Company in accordance with the Company's articles of association, providing that every Director shall be retired at least once every three years.

DIRECTORS' SERVICE CONTRACTS

Each of the executive Directors has entered into a service contract with the Company with a term of three years and each of the independent non-executive Directors has signed a letter of appointment with the Company with a term of two years. All Directors are subject to retirement by rotation pursuant to the articles of association of the Company.

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

REMUNERATION POLICY

The Directors' fees are subject to shareholders' approval at general meetings. Other remunerations are determined by the Board with reference to the Directors' experience, responsibilities and performance of the Group.

The Remuneration Committee has been charged with the responsibility of making recommendations to the Board on the policy and structures for all aspects of the Directors' and senior management's remuneration. The Remuneration Committee considers factors such as the qualifications and contributions of the individuals, the salaries paid by comparable companies, time commitment and responsibilities of the Directors, employment conditions elsewhere in the Group and desirability of performance-based remuneration. Details of the remuneration of the Directors and five highest paid individuals pursuant to Rules 18.28 to 18.30 of the GEM Listing Rules are set out in note 11 to the consolidated financial statement in this report.

DIRECTORS AND SENIOR MANAGEMENT PROFILE

Biographical details of the Directors and the senior management of the Group are set out on page 9 to page 10 of this annual report.

DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS AND CONTRACTS

None of the Directors or the Director's connected entity had a material interest, whether directly or indirectly, in any transaction, arrangement or contract of significance in relation to the business of the Group to which the Company or any of its subsidiaries was a party at any time during the year ended 31 December 2024.

PERMITTED INDEMNITY PROVISION

Pursuant to the articles and associations of the Company, the Directors shall be indemnified and secured harmless out of the assets of the Company from and against all actions, costs, charges, losses, damages and expenses which they shall or may incur or sustain by or by reason of any act done, concurred in or omitted in or about the execution of their duty. Such provisions were in force during the year ended 31 December 2024 and remained in force as at the date of this report.

COMPETING INTERESTS

The Directors are not aware of any business and interest of the Directors nor the controlling shareholders of the Company nor any of their respective close associates (as defined in the GEM Listing Rules) that compete or may compete with the business of the Group and any other conflict of interests which any such person has or may have with the Group during the year ended 31 December 2024.

CONFIRMATION OF INDEPENDENCE

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

MANAGEMENT CONTRACTS

No contracts, other than employment contracts, concerning the management and administration of the whole and any substantial part of the Company's business were entered into or existed during the year ended 31 December 2024.

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

As at 31 December 2024, the interests and short positions of each director and chief executive of the Company in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")), which were required 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 which they have taken or deemed to have taken under such provisions of the SFO), or which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or which were required, pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules, to be notified to the Company and the Stock Exchange, were as follows:

Aggregate long positions in the shares and underlying shares of the Company

Name of Directors	Nature of interest	Number of shares held	Approximate percentage of the Company's issued share capital
Executive Directors:			
Tan Thiam Kiat Kelvin	Interest of controlled company[(1)]	39,337,600	16.61%
Independent non-executive Directors:			
Lau Muk Kan	Beneficial owner	1,280,000	0.54%

Note:

(1) The entire issued share capital of Absolute Truth Investments Limited is beneficially owned by Mr. Tan Thiam Kiat Kelvin.

Save as disclosed above, as at 31 December 2024, none of the Directors and chief executive of the Company had any interests or short positions in any shares, debentures or underlying shares of the Company and its associated corporations (within the meaning of Part XV of the SFO), which were required 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 which they were taken or deemed to have taken under such provisions of the SFO), or which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or which were required, pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules, to be notified to the Company and the Stock Exchange.

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

As at 31 December 2024, the following substantial shareholders' and other persons' interests and short positions of 5% or more of the issued share capital of the Company were recorded in the register required to be kept under section 336 of the SFO:

Aggregate long positions in the shares and underlying shares of the Company

Name of substantial shareholder	Nature of interest	Number of shares held	Approximate percentage of the Company's issued share capital
Absolute Truth Investments Limited	Beneficial owner	39,337,600	16.61%

Note: The entire issued share capital of Absolute Truth Investments Limited is beneficially owned by Mr. Tan Thiam Kiat Kelvin.

Save as disclosed above, as at 31 December 2024, the Directors were not aware of any other person (other than the Directors or chief executive of the Company whose interests are disclosed above) who had an interest or short position in the shares or underlying shares of the Company as recorded in the register required to be kept under section 336 of the SFO.

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

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

COMPLIANCE WITH THE CODE ON CORPORATE GOVERNANCE

A full corporate governance report is set out on page 11 to page 22 of the annual report.

SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the Directors, as at the latest practicable date prior to the issue of this annual report, at least 25% of the Company's total issued share capital was held by the public.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Company's articles of association or the laws of the Cayman Islands, being the jurisdiction in which the Company was incorporated, which would oblige the Company to offer new shares on a pro rata basis to existing shareholders unless otherwise required by the Stock Exchange.

SHARE OPTION SCHEME

The Company has adopted a share option scheme (the "Share Option Scheme") on 21 September 2018. The principal terms of the Share Option Scheme are set out in the note 29 to the consolidated financial statement in this report.

The number of options available for grant under the share option scheme of the Company was 23,680,000 as at 1 January 2024 and 31 December 2024. The total number of shares available for issue under the Share Option Scheme was 23,680,000, representing 10% of the issued share capital of the Company as at the date of this annual report.

A summary of the movements of the outstanding share options under the Share Option Scheme during the year ended 31 December 2024 is as follows:

	Outstanding as at 1 January 2024	Granted/ Exercised/ Cancelled during the year	Lapsed during the year	Outstanding as at 31 December 2024	Exercise price per share HK$	Date of grant	Exercise period
Employees	22,400,000	–	(22,400,000)	–	0.50	7 April 2022	7 April 2022 to 6 April 2024

Saved as disclosed above, no share option was granted, exercised, lapsed or cancelled under the Share Option Scheme during the year ended 31 December 2024.

EQUITY-LINKED AGREEMENTS

Save for the Share Option Scheme as disclosed in the paragraph headed "Share Option Scheme" above, no equity-linked agreement was entered into by the Company during the year ended 31 December 2024 or subsisted at the end of the year ended 31 December 2024.

ARRANGEMENTS FOR DIRECTORS TO ACQUIRE SHARES OR DEBENTURES

Save for the Share Option Scheme, at no time during the year ended 31 December 2024 was the Company or any of its subsidiaries or its other associated corporations a party to any arrangement to enable the Directors or chief executives of the Company (including their spouse and children under 18 years of age) to acquire benefits by means of the acquisition of shares or underlying shares in, or debentures of, the Company or its associated corporations.

AUDITOR

HLB Hodgson Impey Cheng Limited ("HLB") has resigned as auditor of the Company with effect from 3 January 2022 as the Company and HLB could not reach a consensus on the audit fee for the year ended 31 December 2021.

McMillan Woods (Hong Kong) CPA Limited was appointed as the auditor of the Company with effect from 3 January 2022 to fill the casual vacancy following the resignation of HLB. The consolidated financial statements for the year ended 31 December 2024 have been audited by McMillan Woods (Hong Kong) CPA Limited, who will retire at the forthcoming annual general meeting of the Company and, being eligible, will offer itself for re-appointment. A resolution for the re-appointment of McMillan Woods (Hong Kong) CPA Limited as the auditors of the Company will be proposed at the forthcoming annual general meeting of the Company.

On behalf of the Board
Tan Thiam Kiat Kelvin
Chairman and Executive Director

31 March 2025

McMillanWoods
Professionalism at the forefront

To the shareholders of KPM Holding Limited
(Incorporated in the Cayman Islands with limited liability)

OPINION

We have audited the consolidated financial statements of KPM Holding Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 39 to 101, which comprise the consolidated statement of financial position as at 31 December 2024, and consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and 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 IFRS Accounting Standards issued by International Accounting Standards Board ("IASB") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

BASIS FOR OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSAs") issued by Hong Kong Institute of Certified Public Accountants (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.

KEY AUDIT MATTERS

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

1) Impairment assessment of trade receivables and contract assets; and

2) Revenue recognition on fitting-out and renovation services.

KEY AUDIT MATTERS (continued)

Key Audit Matter	How our audit addressed the Key Audit Matter
Impairment assessment of trade receivables and contract assets	
Refer to the material accounting policy information in note 3, critical accounting judgement and key sources of estimation uncertainty in note 4 and relevant disclosures in notes 19, 20 and 32(b)(iii) to the consolidated financial statements. As at 31 December 2024, the Group had gross carrying amounts of trade receivables and contract assets of Singapore dollars ("S$") 7,005,661 and S$5,943,168, with allowance for expected credit losses ("ECL") of S$5,337,064 and S$238,733 respectively. Management performed periodic assessment on the recoverability of the trade receivables and contract assets and the sufficiency of provision for allowance for ECL based on information including credit profile of different customers, ageing analysis, historical settlement records, subsequent settlement status, expected timing and amount of realisation of outstanding balances, and on-going trading relationships with the relevant customers. Management also considered forward-looking information that may impact the customers' ability to repay the outstanding balances in order to estimate the allowance for ECL. We identified the above matter as a key audit matter due to the significance of the gross carrying amounts of trade receivables and contract assets to the consolidated financial statements and the involvement of significant judgements and estimates made by the directors of the Company in determining the allowance for ECL on trade receivables and contract assets.	Our procedures in relation to the impairment assessment of trade receivables and contract assets included: • Obtaining an understanding of and evaluating the Group's credit policies; • Assessing the reasonableness of the Group's ECL models by examining the key assumptions applied by the directors of the Company to justify the ECL model, including testing the accuracy of the debtors' ageing analysis and historical default data, evaluating whether the historical loss rates are appropriately adjusted based on current economic conditions and assumptions used in each of the economic scenarios and assessing whether there was an indication of management bias when recognising allowance for ECL; • Inspecting settlements after the financial year end relating to the trade receivables and contract assets as at 31 December 2024; • Assessing the appropriateness of classification in the provision matrix on a sample basis and the reasonableness of the ECL rates, taking into consideration the historical loss rates and forward-looking information with the assistance from the auditor's expert; and • Reviewing the appropriateness of the disclosure in the consolidated financial statements.

KEY AUDIT MATTERS (continued)

Key Audit Matter

Revenue recognition on fitting-out and renovation services

Refer to the material accounting policy information in note 3, critical accounting judgement and key sources of estimation uncertainty in note 4 and relevant disclosure in note 5 to the consolidated financial statements.

The Group's revenue from fitting-out and renovation services amounted to S$4,054,373 for the year ended 31 December 2024.

We identified the above matter as a key audit matter due to the involvement of significant degree of the management's estimates and judgements in measuring the revenue recognised over time using the input method based on direct measurements of the contract costs incurred to value the contract work performed to date relative to the estimated total contract costs.

How our audit addressed the Key Audit Matter

Our procedures in relation to revenue recognition on fitting-out and renovation services included:

- Obtaining an understanding of the performance, and status of all major contracts, understanding and evaluating the key controls over the recognition of contract revenue through discussion with management and key staff;
- Obtaining an understanding from the management, about the contract terms, performance and status of selected contracts to evaluate the reasonableness of the basis of estimation of the total contract costs, and contract costs incurred for work performed to date;
- Examining the major contracts and performing substantive testing on costs incurred to date;
- Verifying the percentage of completion of the contracts by comparing the proportion of contract costs incurred to date with the estimated total contract cost; and
- Assessing the adequacy of the disclosures related to the revenue recognition on fitting-out and renovation services in accordance with relevant IFRS Accounting Standards.

OTHER INFORMATION

The directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, other than the consolidated financial statements and our auditor's report thereon.

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

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

RESPONSIBILITIES OF DIRECTORS AND AUDIT COMMITTEE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with IFRS Accounting Standards issued by the IASB and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors of the Company 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 of the Company 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.

The Audit Committee assists the directors of the Company in discharging their responsibilities for overseeing the Group's financial reporting process.

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

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

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors of the Company.

- Conclude on the appropriateness of the Company's 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 purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Audit Committee 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.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

We also provide the Audit Committee 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 the Audit Committee, 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 auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

McMillan Woods (Hong Kong) CPA Limited
Certified Public Accountants
Yeung Man Sun
Audit Engagement Director
Practising Certificate Number: P07606

24/F., Siu On Centre
188 Lockhart Road
Wan Chai
Hong Kong

31 March 2025

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2024

	Notes	**2024** **S$**	2023 S$
Revenue	5	**15,889,279**	14,008,147
Cost of sales and services		**(12,105,403)**	(8,796,525)
Gross profit		**3,783,876**	5,211,622
Other income	6	**148,701**	87,759
Foreign exchange gains/(losses), net		**18,833**	(282,817)
Fair value gain on financial assets at fair value through profit or loss ("FVTPL")		**11,779**	–
Selling and administrative expenses		**(4,153,985)**	(3,529,467)
Allowances for expected credit losses ("ECL"), net		**(410,130)**	(3,317,458)
Finance costs	8	**(105,191)**	(130,003)
Loss before tax	10	**(706,117)**	(1,960,364)
Income tax expense	9	**(195,513)**	(320,090)
Loss for the year attributable to owners of the Company		**(901,630)**	(2,280,454)
Other comprehensive income:			
Item that may be reclassified subsequently to profit or loss:			
Exchange differences on translation of foreign operation		**202,349**	125,033
Total comprehensive loss for the year attributable to owners of the Company		**(699,281)**	(2,155,421)
Loss per share			
Basic and diluted (S$ cents)	12	**(0.381)**	(0.963)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2024

	Notes	2024 S$	2023 S$
ASSETS			
Non-current assets			
Property, plant and equipment	15	**2,920,966**	3,259,286
Right-of-use assets	16	**962,485**	900,532
Total non-current assets		**3,883,451**	4,159,818
Current assets			
Inventories	17	**215,219**	182,122
Financial assets at FVTPL	18	**1,011,779**	–
Trade and other receivables	19	**2,387,464**	4,512,515
Contract assets	20	**5,704,435**	5,288,045
Cash and bank balances	21	**4,505,235**	4,292,329
Total current assets		**13,824,132**	14,275,011
Total assets		**17,707,583**	18,434,829
Current liabilities			
Trade payables	22	**1,854,336**	1,668,929
Other payables and accruals	23	**2,530,291**	1,994,259
Contract liabilities	24	**344,238**	778,819
Income tax payable		**244,173**	268,579
Bank loan	25	**1,603,224**	1,943,423
Lease liabilities	26	**108,930**	91,345
Total current liabilities		**6,685,192**	6,745,354
Net current assets		**7,138,940**	7,529,657
Total assets less current liabilities		**11,022,391**	11,689,475
Non-current liability			
Lease liabilities	26	**801,522**	769,325
NET ASSETS		**10,220,869**	10,920,150

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2024

	Note	2024 S$	2023 S$
Capital and reserves			
Share capital	28	**1,271,455**	1,271,455
Share premium		**15,488,351**	15,488,351
Merger reserve		**(4,570,095)**	(4,570,095)
Share-based payment reserve		**–**	806,534
Currency translation reserve		**354,398**	152,049
Accumulated losses		**(2,323,240)**	(2,228,144)
TOTAL EQUITY		**10,220,869**	10,920,150

The consolidated financial statements on pages 39 to 101 were approved and authorised for issue by the Board of Directors on 31 March 2025 and are signed on its behalf by:

Tan Thiam Kiat Kelvin
Chairman and Executive Director

Lin Sin Huei
Executive Director

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2024

	Share capital (Note 28) S$	Share premium (Note (A)) S$	Merger reserve (Note (B)) S$	Share-based payment reserve (Note (C)) S$	Currency translation reserve (Note (D)) S$	Retained profits/ (accumulated losses) S$	Total S$
At 1 January 2023	1,271,455	15,488,351	(4,570,095)	806,534	27,016	52,310	13,075,571
Loss for the year	–	–	–	–	–	(2,280,454)	(2,280,454)
Other comprehensive income							
Exchange differences on translation of foreign operation	–	–	–	–	125,033	–	125,033
Total comprehensive loss for the year	–	–	–	–	125,033	(2,280,454)	(2,155,421)
At 31 December 2023 and 1 January 2024	1,271,455	15,488,351	(4,570,095)	806,534	152,049	(2,228,144)	10,920,150
Loss for the year	–	–	–	–	–	(901,630)	(901,630)
Other comprehensive income							
Exchange differences on translation of foreign operation	–	–	–	–	202,349	–	202,349
Total comprehensive loss for the year	–	–	–	–	202,349	(901,630)	(699,281)
Lapse of share options (note 29)	–	–	–	(806,534)	–	806,534	–
At 31 December 2024	1,271,455	15,488,351	(4,570,095)	–	354,398	(2,323,240)	10,220,869

Notes:

(A) Share premium represents the proceeds from the issue of shares over the par value.

(B) Merger reserve represents the difference between the underlying net assets of a subsidiary which was acquired by the Company pursuant to the re-organisation on 23 June 2015 and the total par value and share premium amount of the shares issued.

(C) Share-based payment reserve comprises the portion of the grant date fair value of unexercised share options granted to directors and/or employees of the Company recognised in accordance with the accounting policy adopted for share-based payments in note 3.

(D) The currency translation reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations. The reserve is dealt with in accordance with the accounting policies set out in note 3.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 December 2024

	2024 S$	2023 S$
OPERATING ACTIVITIES		
Loss before tax	**(706,117)**	(1,960,364)
Adjustments for:		
Depreciation expenses of property, plant and equipment and right-of-use assets	**451,714**	465,942
Bank interest income	**(70,806)**	(9,593)
Finance costs	**105,191**	130,003
Allowance for ECL, net	**410,130**	3,317,458
Fair value gain on financial assets at FVTPL	**(11,779)**	–
Foreign exchange (gains)/losses, net	**(18,833)**	282,817
Operating cash flows before movements in working capital	**159,500**	2,226,263
Change in inventories	**(33,097)**	64,347
Change in trade and other receivables	**1,710,002**	(1,931,434)
Change in contract assets	**(220,840)**	2,296
Change in trade payables	**186,266**	704,616
Change in other payables and accruals	**536,284**	763,613
Change in contract liabilities	**(434,581)**	689,477
Cash generated from operations	**1,903,534**	2,519,178
Income tax paid	**(219,919)**	–
Net cash generated from operating activities	**1,683,615**	2,519,178
INVESTING ACTIVITIES		
Payment for purchase of property, plant and equipment	**(6,547)**	(125,558)
Payment for purchase of financial assets at FVTPL	**(1,000,000)**	–
Interest received	**70,806**	9,593
Net cash used in investing activities	**(935,741)**	(115,965)

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 December 2024

	2024 S$	2023 S$
FINANCING ACTIVITIES		
Repayment of bank loan	**(340,199)**	(314,934)
Bank loan interest paid	**(83,641)**	(110,353)
Repayment of lease liabilities	**(119,018)**	(91,214)
Lease liabilities interest paid	**(21,550)**	(19,650)
Net cash used in financing activities	**(564,408)**	(536,151)
Net increase in cash and cash equivalents	**183,466**	1,867,062
Cash and cash equivalents, represented by cash and bank balances at 1 January	**4,292,329**	2,516,009
Effect of foreign exchange rate changes	**29,440**	(90,742)
Cash and cash equivalents, represented by cash and bank balances at 31 December	**4,505,235**	4,292,329

1. GENERAL INFORMATION

KPM Holding Limited (the "Company") is a public limited company incorporated and registered as an exempted company in the Cayman Islands with limited liability on 10 March 2015 and its registered office is Windward 3, Regatta Office Park, P.O. Box 1350, Grand Cayman KY1-1108, Cayman Islands. Its shares are listed on GEM of The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). The Company was registered with the Registrar of Companies in Hong Kong as a non-Hong Kong company under Part 16 of the Hong Kong Companies Ordinance (Chapter 622 of the laws of Hong Kong) on 30 March 2015. The principal place of business in Hong Kong is Unit 1104A, 11F, Kai Tak Commercial Building, 317-319 Des Voeux Road Central, Hong Kong. The head office and principal place of business of the Group is at 14 Loyang Way 4, Singapore 507601.

The Company is an investment holding company and the operating subsidiaries of the Company (together with the Company collectively referred to as the "Group") are principally engaged in the design, fabrication, installation and maintenance of signage and sales of related products and the business of provision of fitting-out and renovation services for commercial premises and residential developments. The details of the subsidiaries are set out in note 36.

The consolidated financial statements are presented in Singapore dollars ("S$"), which is also the functional currency of the Company.

2. APPLICATION OF NEW AND AMENDMENTS IFRS ACCOUNTING STANDARDS

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

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

Amendments to International Accounting Standard ("IAS") 1	Classification of Liabilities as Current or Non-current
Amendments to IAS 1	Non-current Liabilities with Covenants
Amendments to International Financial Reporting Standard ("IFRS") 16	Lease Liability in a Sale and Leaseback
Amendments to IAS 7 and IFRS 7	Supplier Finance Arrangements

The above amendments to IFRS Accounting Standards effective for the current year do not have a material impact on the Group's consolidated financial positions and consolidated performance for the current and prior year and/or on the disclosures set out in these consolidated financial statements.

2. APPLICATION OF NEW AND AMENDMENTS IFRS ACCOUNTING STANDARDS (continued)

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

The Group has not applied any new and amendments to IFRS Accounting Standards that have been issued but are not yet effective for the financial year beginning on 1 January 2024. These new and amendments to IFRS Accounting Standards include the followings which may be relevant to the Group.

	Effective for accounting periods beginning on or after
Amendments to IAS 21 and IFRS 1 – Lack of Exchangeability	1 January 2025
Amendments to IFRS 9 and IFRS 7 – Classification and Measurement of Financial Instruments	1 January 2026
Annual Improvements to IFRS Accounting Standards – Volume 11	1 January 2026
Amendments to IFRS 9 and IFRS 7 – Contracts Referencing Nature-dependant Electricity	1 January 2026
IFRS 18 – Presentation and Disclosure in Financial Statements	1 January 2027
Amendments to IFRS 10 and IAS 28 – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be determined by the IASB

The directors of the Company are in the process of making an assessment of what the impact of these new and amendments is expected to be in the period of initial application. So far it has concluded that the adoption of them is unlikely to have a significant impact on the consolidated financial statements except for the new IFRS Accounting Standard mentioned below.

IFRS 18 "Presentation and Disclosure in Financial Statements"

IFRS 18 will replace IAS 1 "Presentation of Financial Statements", introducing new requirements that will help to achieve comparability of the financial performance of similar entities and provide more relevant information and transparency to users. Even though IFRS 18 will not impact the recognition or measurement of items in the consolidated financial statements, IFRS 18 introduces significant changes to the presentation of financial statements, with a focus on information about financial performance present in the statement of profit or loss, which will affect how the Group present and disclose financial performance in the financial statements. The key changes introduced in IFRS 18 relate to (i) the structure of the statement of profit or loss, (ii) required disclosures for management-defined performance measures (which are referred to alternative or non-GAAP performance measures), and (iii) enhanced requirements for aggregation and disaggregation of information.

The directors of the Company are currently assessing the impact of applying IFRS 18 on the presentation and the disclosures of the consolidated financial statements.

3. MATERIAL ACCOUNTING POLICY INFORMATION

Basis of preparation of consolidated financial statements

The consolidated financial statements have been prepared in accordance with IFRS Accounting Standards issued by the IASB, which in collective term includes all individual IFRSs, IASs and Interpretations.

In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on GEM of the Stock Exchange and the applicable disclosures required by the Hong Kong Companies Ordinance.

The consolidated financial statements have been prepared on the historical cost basis except for financial assets at FVTPL which are measured at fair value, at the end of each reporting period as explained in the accounting policies set out below.

The preparation of consolidated financial statements in conformity with IFRS Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in note 4.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique.

In addition, for financial reporting purposes, fair value measurements are categorised into Levels 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities (including structured 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.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests, if any. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests, if any 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 into 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.

Investment in subsidiaries

In the Company's statement of financial position, investments in subsidiaries are stated at cost less impairment losses, unless the investment is classified as held for sale (or included in a disposal group that is classified as held for sale). The results of subsidiaries are accounted for by the Company on the basis of dividend received or receivable.

Impairment testing of the investments in subsidiaries is required upon receiving a dividend from these investments if the dividend exceeds the total comprehensive income of the subsidiary in the period the dividend is declared or if the carrying amount of the investment in the separate financial statements exceeds the carrying amount in the consolidated financial statements of the investee's net assets including goodwill.

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Revenue and other income recognition

Revenue from contracts with customers

Under IFRS 15, the Group recognises revenue when (or as) a performance obligation is satisfied, i.e. when "control" of the goods or services underlying the particular performance obligation is transferred to the customer.

A performance obligation represents a good or service (or a bundle of goods or services) that is distinct or a series of distinct goods or services that are substantially the same.

Control is transferred over time and revenue is recognised over time by reference to the progress towards complete satisfaction of the relevant performance obligation if one of the following criteria is met:

- 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 complete to date.

Otherwise, revenue is recognised at a point in time when the customer obtains control of the distinct good or service.

A contract asset represents the Group's right to consideration in exchange for goods or services that the Group has transferred to a customer that is not yet unconditional. It is assessed for impairment in accordance with IFRS 9. In contrast, a receivable represents the Group's unconditional right to consideration, i.e. only the passage of time is required before payment of that consideration is due.

A contract liability represents the group's obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer.

A contract asset and a contract liability relating to the same contract are accounted for and presented on a net basis.

Revenue from the design, fabrication, installation and maintenance of signage and sales of related products

Revenue from the design, fabrication, installation and maintenance of signage and sales of related products are recognised at the point in time when control of the asset is transferred to the customer, generally on signage products being delivered or installed. The normal credit term is 30 days upon delivery or installation. Payment in advance is required for some contracts.

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Revenue and other income recognition (continued)

Over time revenue recognition: measurement of progress towards complete satisfaction of a performance obligation

Fitting-out and renovation services

Service revenue from fitting-out and renovation services is recognised over time by reference to the progress towards complete satisfaction of the relevant performance obligation using input method.

The progress towards complete satisfaction of a performance obligation is measured based on input method, which is to recognise revenue on the basis of the Group's efforts or input to the satisfaction of a performance obligation relative to the total expected inputs to the satisfaction of that performance obligation, that best depict the Group's performance in transferring control of goods or services.

Other income

Interest income is recognised as it accrues using the effective interest method. For financial assets measured at amortised cost that are not credit-impaired, the effective interest rate is applied to the gross carrying amount of the asset. For credit-impaired financial assets, the effective interest rate is applied to the amortised cost (i.e. gross carrying amount net of loss allowance) of the asset.

Leasing

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 or arising from business combinations on or after the date of initial application, the Group assesses whether a contract is or contains a lease based on the definition under IFRS 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. As a practical expedient, leases with similar characteristics are accounted on a portfolio basis when the Group reasonably expects that the effects on the consolidated financial statements would not differ materially from individual leases within the portfolio.

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Leasing (continued)

As a lessee

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.

The Group recognises right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities.

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 is 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 statements of financial position.

When the Group obtains ownership of the underlying leased assets at the end of the lease term, upon exercising purchase options, the cost of the relevant right-of-use assets and the related accumulated depreciation and impairment loss are transferred to property, plant and equipment.

Refundable rental deposits

Refundable rental deposits paid are accounted under IFRS 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.

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Leasing (continued)

As a lessee (continued)

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.

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;
- amounts expected to be paid under residual value guarantees;
- the exercise price of a purchase option reasonably certain to be exercised by the Group; and
- payments of penalties for terminating a lease, if the lease term reflects the Group exercising the option to terminate.

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

Foreign currencies

The individual financial statements of each Group's entity are measured and presented in the currency of the primary economic environment in which the entity operates (its functional currency). The consolidated financial statements of the Group and the statement of financial position of the Company are presented in S$, which is the functional currency of the Company and the presentation currency for the consolidated financial statements.

In preparing the consolidated financial statements of the Group, transactions in currencies other than the functional currency of the Group (foreign currencies) are recorded in the respective functional currency (i.e. the currency of the primary economic environment in which the Group operates) at the rates of exchanges prevailing on the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. Exchange differences on monetary items are recognised in profit or loss in the period in which they arise.

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Foreign currencies (continued)

For the purpose of presenting the consolidated financial statements, the assets and liabilities of the Group's operations are translated into the presentation currency of the Group, using exchange rates prevailing at the end of each reporting period. Income and expenses items are translated at the average exchange rates at the date of transactions are used. Exchange differences arising, if any, are recognised in the other comprehensive income and accumulated in equity under the heading of currency translation reserve.

Borrowing costs

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

Government grants

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in profit or loss in the period in which they become receivable. Such grants are presented under "other income".

Retirement benefit costs

Payments made to defined contribution retirement plan are recognised as an expense when employees have rendered service entitling them to the contributions.

Central Provident Fund

Group's subsidiary in Singapore makes contributions to the Central Provident Fund retirement benefit scheme (the "CPF Scheme") in Singapore, a state-managed retirement benefit scheme operated by the government of Singapore. The subsidiary is required to contribute a specified percentage of payroll costs to the CPF Scheme to fund the benefits. The only obligation of the Group with respect to the CPF Scheme is to make the specified contributions.

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Retirement benefit costs (continued)

Mandatory Provident Fund

The Group operates a defined contribution Mandatory Provident Fund retirement benefit scheme (the "MPF Scheme") under the Mandatory Provident Fund Schemes Ordinance for all qualifying employees in Hong Kong. Contributions are made based on a percentage of the employees' basic salaries and are charged to profit or loss as they become payable in accordance with the rules of the MPF Scheme. The assets of the MPF Scheme are held separately from those of the Group in an independently administered fund. The Group's employer contributions vest fully with the employees when contributed into the MPF Scheme.

Short-term employee benefits

Short-term employee benefits are recognised at the undiscounted amount of the benefits expected to be paid as and when employees rendered the services. All short-term employee benefits are recognised as an expenses unless another IFRS Accounting Standards requires or permits the inclusion of the benefits in the cost of an asset.

Share-based payments

Equity-settled share-based payments transactions

Shares options granted to employees

Equity-settled share-based payments to employee and others providing similar services are measured at the fair value of the equity instruments at the grant date.

The fair value of the equity-settled share-based payments determined at the grant date without taking into consideration all non-market vesting conditions is expensed on a straight-line basis over the vesting period, based on the Group's estimate of equity instruments that will eventually vest, with a corresponding increase in equity (share-based payment reserve). At the end of each reporting period, the Group revises its estimate of the number of equity instruments expected to vest based on assessment of all relevant non-market vesting conditions. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the share-based payment reserve. For share options that vest immediately at the date of grant, the fair value of the share options granted is expenses immediately to profit or loss.

When share options are exercised, the amount previously recognised in share-based payment reserve will be transferred to share premium. When the share options are forfeited after vesting date or are still not exercised at the expiry date, the amount previously recognised in share-based payment reserve will be transferred to accumulated losses.

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

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 "loss before tax" as reported in the consolidated statement of profit or loss and other comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates (and tax laws) that have been enacted or substantively enacted at the end of each 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 base used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are recognised for all deductible temporary difference to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business consolidation) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit and at the time of transaction does not give rise to equal taxable and deductible temporary differences.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the assets 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 rates (and tax laws) that have been enacted or substantively enacted by the end of each 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 each reporting period, to recover or settle the carrying amount of its assets and liabilities.

For leasing transactions in which the tax deductions are attributable to the lease liabilities, the Group applies IAS 12 *Income Taxes* requirements to right-of-use assets and lease liabilities separately. The Group recognises a deferred tax asset related to lease liabilities to the extent that it is probable that taxable profit will be available against which the deductible temporary differences can be utilised and a deferred tax liability for all taxable temporary differences.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current liabilities and when they relate to income taxes levied to the same taxable entry by the same taxation authority.

Current and deferred tax is recognised in profit or loss.

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Property, plant and equipment

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

Depreciation is recognised so as to write off the cost of items of property, plant and equipment less their residual values over their estimated useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

Impairment on property, plant and equipment and right-of-use assets

At the end of each reporting period, the Group reviews the carrying amounts of its property, plant and equipment and right-of-use assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any. When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit ("CGU") to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual CGUs, or otherwise they are allocated to the smallest group of CGUs for which a reasonable and consistent allocation basis can be identified.

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

In testing a CGU for impairment, corporate assets are allocated to the relevant CGU when a reasonable and consistent basis of allocation can be established, or otherwise they are allocated to the smallest group of cash generating units for which a reasonable and consistent allocation basis can be established. The recoverable amount is determined for the CGU or group of CGUs to which the corporate asset belongs, and is compared with the carrying amount of the relevant CGU or group of CGUs.

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Impairment on property, plant and equipment and right-of-use assets (continued)

If the recoverable amount of an asset (or a cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or a cash-generating unit) is reduced to its recoverable amount. For corporate assets or portion of corporate assets which cannot be allocated on a reasonable and consistent basis to a cash-generating units, the Group compares the carrying amount of a group of cash-generating units, including the carrying amounts of the corporate assets or portion of corporate assets allocated to that group of cash-generating units, with the recoverable amount of the group of cash-generating units. In allocating the impairment loss, the impairment loss is allocated first to reduce the carrying amount of any goodwill (if applicable) and then to the other assets on a pro-rata basis based on the carrying amount of each asset in the unit or the group of cash-generating units. The carrying amount of an asset is not reduced below the highest of its fair value less costs of disposal (if measurable), its value in use (if determinable) and zero. The amount of the impairment loss that would otherwise have been allocated to the asset is allocated pro rata to the other assets of the unit or the group of cash-generating units. An impairment loss is recognised immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or a CGU) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or a CGU) in prior years. A reversal of an impairment loss is recognised in profit or loss immediately.

Inventories

Inventories are stated at the lower of cost and net realisable value. Costs of inventories are determined on a first-in, first-out method. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, demand deposits with banks, and short-term highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk and changes in value, having been within three months of maturity at acquisition.

Financial instruments

Financial assets and financial liabilities are recognised when the 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 trade date basis. 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.

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Financial instruments (continued)

Financial assets and financial liabilities are initially measured at fair value except for trade receivable arising from contracts with customers which are initially measured in accordance with IFRS 15. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities 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 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 the 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.

Financial assets

Classification and 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 at amortised cost are subsequent measured using effective interest method and are subject to impairment. 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 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.

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Financial instruments (continued)

Financial assets (continued)

Classification and measurement of financial assets (continued)

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

Amortised cost and interest income

Interest income is recognised using the effective interest method for financial assets measured subsequently at amortised cost. 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.

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. The net gain or loss recognised in profit or loss excludes any dividend or interest earned on the financial asset and is included in the “other income” line item.

Impairment of financial assets and contract assets

The Group performs impairment assessment under expected credit loss (“ECL”) model on financial assets (including trade receivables, deposits and other receivables, and cash and bank balances) and contract assets which are subject to impairment assessment under IFRS 9. The amount of ECL is updated at each reporting period 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 months ECL represents the portion of lifetime ECL that is expected to result from default events that are possible within 12 months after the end of the reporting period. Assessment 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 end of the reporting period as well as the forecast of future conditions.

The Group always recognises lifetime ECL for trade receivables and contract assets.

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Financial instruments (continued)

Financial assets (continued)

Impairment of financial assets and contract assets (continued)

For all other instruments, the Group measures the loss allowance equal to 12 months ECL, unless when there has been a significant increase in credit risk since initial recognition, 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.

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 end of the reporting period 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; or
- 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.

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Financial instruments (continued)

Financial assets (continued)

Significant increase in credit risk (continued)

Despite the foregoing, the Group assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date. A financial instrument is determined to have low credit risk if:

(i) The financial instrument has a low risk of default;

(ii) The debtor has a strong capacity to meet its contractual cash flow obligations in the near term; and

(iii) Adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

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.

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.

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.

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; or

(e) the disappearance of an active market for that financial asset because of financial difficulties.

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Financial instruments (continued)

Financial assets (continued)

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, for example, when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. A write-off constitutes a derecognition event. Any subsequent recoveries are recognised in profit or loss.

Measurement and recognition of ECL

The measurement of ECL is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information. As for the exposure at default, for financial assets, this is represented by the assets' gross carrying amount at the reporting date determined based on historical trend, the Group's understanding of the specific future financing needs of the debtors, and other relevant 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 and contract assets 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 contract assets 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.

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

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Financial instruments (continued)

Financial assets (continued)

Measurement and recognition of ECL (continued)

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.

The Group recognises an allowance for ECL in profit or loss for all financial instruments by adjusting their carrying amount, with the exception of trade receivables and contract assets where the corresponding adjustment is recognised through a loss allowance account.

Financial liabilities and equity instruments

Classification as financial liabilities or equity

Financial liabilities and equity instruments issued by a group entity 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 an entity after deducting all of its liabilities. Equity instruments issued by the Company 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.

Financial liabilities at amortised cost

Financial liabilities (including bank loan, trade payables, accruals and other payables) are subsequently measured at amortised cost, using the effective interest method.

Derecognition

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.

On derecognition of a financial asset, the difference between the asset's carrying amount and the sum of the consideration received and receivable.

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

4. CRITICAL ACCOUNTING JUDGEMENT AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in note 3, the directors of the Company are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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

(a) Critical judgement in applying accounting policies

The following is the critical judgement, apart from those involving estimations (see below), that the directors of the Company have made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the consolidated financial statements.

Revenue recognition on fitting-out and renovation services

The Group recognises revenue from fitting-out and renovation services over time using the input method, measuring progress toward satisfying performance obligations based on costs incurred to date relative to total estimated budgeted costs. The directors of the Company exercised judgements in selecting input method for measuring progress and considered the input method best reflects the Group's performance in fulfilling contractual obligations as at the end of the reporting period. Significant judgement is also involved in estimating budgeted costs, which directly affects the timing and amount of revenue recognised. While the Group mitigates estimation risks through periodic budget reviews and historical data analysis, material differences between actual and budgeted costs could lead to significant adjustments in reported revenue.

(b) Key sources of estimation uncertainty

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

4. CRITICAL ACCOUNTING JUDGEMENT AND KEY SOURCES OF ESTIMATION UNCERTAINTY (continued)

(b) Key sources of estimation uncertainty (continued)

Revenue recognition on fitting-out and renovation services

As detailed in note 3, the Group recognised revenue on service contracts from fitting-out and renovation services by reference to the progress towards complete satisfaction of the relevant performance obligation using input method, measured based on the proportion of contract costs incurred for work performed to date relative to the total estimated contract costs. The management regularly discusses with the project team in order to review and revise the estimates of the total contract costs based on stage of completion of the work performed to date with reference to the performance and status of corresponding service contract work. Accordingly, revenue recognition on service contracts involves a significant degree of management's estimates and judgements, with estimates being made to assess the total contract costs and contract costs incurred for work performed to date.

The management reviews and revises the estimates of total contract costs for the fitting-out and renovation services and contract costs incurred for work performed to date as the contract progress, the actual outcome of the contract in terms of its total costs may be higher or lower than the estimates and this will affect the revenue and profit recognised.

During the year ended 31 December 2024, revenue amounted to S$4,054,373 (2023: S$2,368,749) was recognised over time based on the abovementioned input method.

Impairment assessment of trade receivables and contract assets

The directors of the Company estimates the amount of allowance for ECL on trade receivables and contract based on the credit risk of trade receivables and contract assets. The amount of the impairment loss based on ECL model is measured as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the effective interest rate determined at initial recognition. Where the future cash flows are less than expected, or being revised downward due to changes in facts and circumstances, a material impairment loss may arise.

As at 31 December 2024, the carrying amounts of trade receivables and contract assets were S$1,668,597 and S$5,704,435 (net of allowance for ECL of S$5,337,064 and S$238,733) (2023: S$4,243,243 and S$5,288,045 (net of allowance for ECL of S$4,785,552 and S$208,237), respectively.

4. CRITICAL ACCOUNTING JUDGEMENT AND KEY SOURCES OF ESTIMATION UNCERTAINTY (continued)

(b) Key sources of estimation uncertainty (continued)

Useful lives of property, plant and equipment

The Group determines the estimated useful lives and related depreciation charges for the Group's property, plant and equipment. These estimates are based on the historical experience of the actual useful lives of property, plant and equipment of similar nature and functions. The Group will revise the depreciation charges where useful lives are different to those previously estimated, or it will write-off or write-down technically obsolete or non-strategic assets that have been abandoned.

The carrying amount of property, plant and equipment as at 31 December 2024 were S$2,920,966 (2023: S$3,259,286).

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

Property, plant and equipment and right-of-use assets are stated at costs less accumulated depreciation and impairment, if any. In determining whether an asset is impaired, the Group has to exercise judgement and make estimation, particularly in assessing: (1) whether an event has occurred or any indicators that may affect the asset value; (2) whether the carrying value of an asset can be supported by the recoverable amount, in the case of value in use, the net present value of future cash flows which are estimated based upon the continued use of the asset; and (3) the appropriate key assumptions to be applied in estimating the recoverable amounts including cash flow projections and an appropriate discount rate. When it is not possible to estimate the recoverable amount of an individual asset including property, plant and equipment and right-of-use assets, the Group estimates the recoverable amount of the CGU to which the assets belongs, including allocation of corporate assets when a reasonable and consistent basis of allocation can be established, otherwise recoverable amount is determined at the smallest group of CGU, for which the relevant corporate assets have been allocated. Changing the assumptions and estimates, including the discount rates or the growth rate projections in the cash flow projections, could materially affect the recoverable amounts.

As at 31 December 2024, the carrying amounts of property, plant and equipment and right-of-use assets were S$2,920,966 (2023: S$3,259,286) and S$962,485 (2023: S$900,532) respectively and no impairment loss (2023: Nil) was recognised on property, plant and equipment and right-of-use assets during the year ended 31 December 2024.

5. REVENUE

(a) Disaggregation of revenue

	2024 S$	2023 S$
Revenue from contracts with customers within the scope of IFRS 15 and the timing of revenue recognition		
Revenue arising from signage business recognised at a point in time	**11,834,906**	11,639,398
Revenue arising from fitting-out and renovation services recognised over time	**4,054,373**	2,368,749
	15,889,279	14,008,147

(b) Transaction price allocated to the remaining performance obligations for contracts with customers

The Group has applied the practical expedient in paragraph 121 of IFRS 15 to its revenue contracts of fitting-out and renovation services, which have original expected duration of one year or less. Accordingly, no information is required to be disclosed for the amount of transaction price allocated to the performance obligations that are unsatisfied (or partially unsatisfied) as at 31 December 2024 and 2023.

6. OTHER INCOME

	2024 S$	2023 S$
Bank interest income	**70,806**	9,593
Government grants (note)	**33,840**	19,672
Others	**44,055**	58,494
	148,701	87,759

Note: Government grants represents the Singapore government subsidies scheme of Senior Employment Credit and CPF Transition Offset which were granted to a subsidiary of the Group. There were no unfulfilled conditions or contingencies attached to these government grants.

7. SEGMENT INFORMATION

The executive directors of the Company are identified as the chief operating decision maker (the "CODM") of the Group for the purposes of resources allocation and performance assessment. The information reported to the CODM for the purposes of resources allocation and performance assessment focuses specifically on respective businesses of the Group. The Group's operating and reportable segments are as follows:

(i) Signage business

Design, fabrication, installation and maintenance of signage and sales of related products.

7. SEGMENT INFORMATION (continued)

(ii) Fitting-out and renovation services

Provision of fitting-out and renovation services for commercial premises and residential developments.

The accounting policies of the operating segments are the same as those described in note 3. There was no inter-segment sale or transfer during the year ended 31 December 2024 (2023: Nil). Central expenses are not allocated to the operating segments as they are not included in the measure of the segments' results that is used by the CODM for assessment of segment performance. Segment assets do not include financial assets at FVTPL, cash and bank balances, and other unallocated head office and corporate assets. Segment liabilities do not include bank loans and other unallocated head office and corporate liabilities.

Major customers

Revenue from customers individually contributed over 10% (2023: 10%) of the total revenue of the Group are as follows:

	2024 **S$**	2023 S$
Signage business		
Customer A	**2,092,881**	2,484,095
Fitting-out and renovation services		
Customer B	**3,757,522**	N/A (Note)

Note: The corresponding revenue did not contribute over 10% of the total revenue of the Group for the corresponding year.

Geographical information

In presenting the geographical information, revenue is based on the locations of the customers.

The Group operates in two principal geographical areas – Singapore and the People's Republic of China (the "PRC"). The following table provides an analysis of the Group's revenue from external customers and non-current assets.

	Revenue from external customers		**Non-current assets**	
	2024 **S$**	2023 S$	**2024** **S$**	2023 S$
Singapore	**11,834,906**	11,639,398	**3,883,451**	4,159,818
The PRC	**4,054,373**	2,368,749	**–**	–
	15,889,279	14,008,147	**3,883,451**	4,159,818

7. SEGMENT INFORMATION (continued)

An analysis of the Group's revenue and results by operating and reportable segments is as follows:

	2024		
	Signage business S$	**Fitting-out and renovation services S$**	**Total S$**
Segment revenue			
Sales to external customers	11,834,906	4,054,373	15,889,279
Segment results	744,339	(148,468)	595,871
Reconciliation			
Unallocated other losses			(19,280)
Corporate and other unallocated expenses			(1,282,708)
Loss before tax			(706,117)
Segment assets	7,076,213	5,114,356	12,190,569
Reconciliation			
Financial assets at FVTPL			1,011,779
Cash and bank balances			4,505,235
Total assets			17,707,583
Segment liabilities	4,782,282	30,419	4,812,701
Reconciliation			
Bank loan			1,603,224
Corporate and other unallocated liabilities			1,070,789
Total liabilities			7,486,714
Other segment information (excluding corporate and other unallocated expenses)			
Depreciation and amortisation expenses	451,714	–	451,714
Finance costs	21,550	–	21,550
Allowance for ECL, net	73,701	336,429	410,130
Government grants	33,840	–	33,840
Income tax expense	195,513	–	195,513
Capital expenditure*	175,347	–	175,347

* Represented additions to property, plant and equipment and right-of-use assets

7. SEGMENT INFORMATION (continued)

An analysis of the Group's revenue and results by operating and reportable segments is as follows: (continued)

	2023		
	Signage business S$	Fitting-out and renovation services S$	Total S$
Segment revenue			
Sales to external customers	11,639,398	2,368,749	14,008,147
Segment results	1,602,729	(2,684,256)	(1,081,527)
Reconciliation			
Unallocated other losses			(282,809)
Corporate and other unallocated expenses			(596,028)
Loss before tax			(1,960,364)
Segment assets	7,231,900	6,906,850	14,138,750
Reconciliation			
Cash and bank balances			4,292,329
Corporate and other unallocated assets			3,750
Total assets			18,434,829
Segment liabilities	4,088,155	755,148	4,843,303
Reconciliation			
Bank loan			1,943,423
Corporate and other unallocated liabilities			727,953
Total liabilities			7,514,679
Other segment information (excluding corporate and other unallocated expenses)			
Depreciation and amortisation expenses	465,942	–	465,942
Finance costs	19,650	–	19,650
Allowance for ECL, net	61,668	3,255,790	3,317,458
Government grants	19,672	–	19,672
Income tax expense	320,090	–	320,090
Capital expenditure*	125,558	–	125,558

* Represented additions to property, plant and equipment and right-of-use assets

8. FINANCE COSTS

	2024 **S$**	2023 S$
Interest expense on lease liabilities	**21,550**	19,650
Interest expense on bank loan	**83,641**	110,353
	105,191	130,003

9. INCOME TAX EXPENSE

	2024 **S$**	2023 S$
Current tax – Singapore Corporate Income Tax ("CIT")	**195,513**	268,579
Deferred tax (note 27)	**–**	51,511
Income tax expense	**195,513**	320,090

Singapore CIT is calculated at 17% (2023: 17%) of the estimated assessable profit. Singapore incorporated companies can enjoy 75% (2023: 75%) tax exemption on the first S$10,000 (2023: S$10,000) of normal chargeable income and a further 50% tax exemption on the next S$190,000 of normal chargeable income from Year of Assessment 2020 onwards.

Under the two-tiered Hong Kong Profits Tax regime, the first HK$2 million of profits of the qualifying group entity established in Hong Kong will be taxed at 8.25%, and profits above that amount will be subject to the tax rate of 16.5%. The profits of the group entities not qualifying for the two-tiered Profits Tax rate regime will continue to be taxed at a rate of 16.5%. No provision for Hong Kong Profits Tax has been made since the Group has no assessable profit in Hong Kong for the years ended 31 December 2024 and 2023.

The Group is not subject to income tax in other tax jurisdictions during the years ended 31 December 2024 and 2023.

9. INCOME TAX EXPENSE (continued)

The income tax expense for the year can be reconciled to the loss before tax per the consolidated statement of profit or loss and other comprehensive income as follows:

	2024 **S$**	2023 S$
Loss before tax	**(706,117)**	(1,960,364)
Tax at Singapore CIT of 17% (2023: 17%)	**(120,040)**	(333,262)
Tax effect of different tax rates of subsidiaries operating in other jurisdictions	**16,729**	17,800
Tax effect of income and expenses not taxable and deductible for tax purpose, net	**91,906**	581,634
Tax effect of deductible temporary difference not recognised	**74,110**	74,967
Tax effect of utilisation of tax losses previously not recognised	**–**	(4,880)
Tax effect of tax losses not recognised	**150,233**	4,188
Tax effect of income under tax exemption and rebate	**(17,425)**	(17,425)
Others	**–**	(2,932)
Income tax expense	**195,513**	320,090

Details of deferred tax are set out in note 27.

10. LOSS BEFORE TAX

	2024 **S$**	2023 S$
Loss before tax has been arrived at after charging:		
Auditor's remuneration		
– Audit services	**109,755**	101,838
Depreciation expenses of property, plant and equipment and right-of-use assets	**451,714**	465,942
– Included in cost of sales and services	**308,001**	314,996
– Included in selling and administrative expenses	**143,713**	150,946
Cost of inventories recognised as expenses	**4,513,094**	3,614,201
Directors' emoluments	**435,319**	356,964
Allowances for ECL, net	**410,130**	3,317,458
Short-term lease expenses	**224,780**	166,400
Other staff costs		
– Salaries and other staff costs	**3,534,668**	3,765,024
– Contributions to defined contribution plans	**114,391**	196,573

11. DIRECTORS', CHIEF EXECUTIVE'S AND EMPLOYEES' EMOLUMENTS

The emoluments paid or payable to each of the directors were as follows:

	Fee S$	Salaries S$	Other benefits S$	Discretionary bonus S$	Contributions to defined contribution plan S$	Total S$
For the year ended 31 December 2024						
Executive directors:						
Mr. Tan Thiam Kiat Kelvin, (chief executive)	–	216,000	7,200	108,000	17,340	348,540
Ms. Lin Sin Huei (appointed on 8 November 2023)	–	18,865	–	–	–	18,865
	–	234,865	7,200	108,000	17,340	367,405
Independent non-executive directors:						
Mr. Lock Kiu Yin	30,870	–	–	–	–	30,870
Mr. Lau Muk Kan	20,580	–	–	–	–	20,580
Mr. Xiao Laiwen	16,464	–	–	–	–	16,464
	67,914	–	–	–	–	67,914
	67,914	234,865	7,200	108,000	17,340	435,319

11. DIRECTORS', CHIEF EXECUTIVE'S AND EMPLOYEES' EMOLUMENTS (continued)

	Fee S$	Salaries S$	Other benefits S$	Discretionary bonus S$	Contributions to defined contribution plan S$	Total S$
For the year ended 31 December 2023						
Executive directors:						
Mr. Tan Thiam Kiat Kelvin, (chief executive)	–	162,200	35,144	35,000	17,340	249,684
Ms. Kong Weishan (resigned on 8 November 2023)	–	34,000	–	–	–	34,000
Ms. Lin Sin Huei (appointed on 8 November 2023)	–	6,000	–	–	–	6,000
	–	202,200	35,144	35,000	17,340	289,684
Independent non-executive directors:						
Mr. Lock Kiu Yin	30,768	–	–	–	–	30,768
Mr. Lau Muk Kan	20,512	–	–	–	–	20,512
Mr. Xiao Laiwen	16,000	–	–	–	–	16,000
	67,280	–	–	–	–	67,280
	67,280	202,200	35,144	35,000	17,340	356,964

The remuneration of directors of the Company and five highest paid individuals of the Group including the discretionary bonus is determined having regard to the performance and market trend by the remuneration committee of the Company.

The fees are for services as a director of the Company and the salaries and other benefits, bonus and contributions to defined contribution plan are paid for services in connection as management of the Group.

Neither the chief executive nor any of the directors of the Company waived any emoluments during the years ended 31 December 2024 and 2023.

Save for disclosed in note 35, no significant transaction, arrangement and contract of significance in relation to the Group's business to which the Company was a party and in which the directors of the Company and the directors' connected party had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

11. DIRECTORS', CHIEF EXECUTIVE'S AND EMPLOYEES' EMOLUMENTS (continued)

Employees' emoluments

Of the five individuals with the highest emoluments in the Group, 1 (2023: 1) was director of the Company during the year ended 31 December 2024 whose emoluments are included in the disclosures above. The emoluments of the remaining 4 (2023: 4) individuals were as follows:

	2024 S$	2023 S$
Salaries and allowance	**373,500**	602,724
Discretionary bonus	**134,418**	93,000
Contributions to defined contribution plan	**63,514**	78,286
	571,432	774,010

Their emoluments were within the following band:

	2024 Number of employees	2023 Number of employees
Nil to HK$1,000,000	**4**	4

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

12. LOSS PER SHARE

	2024	2023
Loss for the year attributable to the owners of the Company (S$)	**(901,630)**	(2,280,454)
Weighted average number of ordinary shares in issue	**236,800,000**	236,800,000

The diluted loss per share is the same as the basic loss per share without the consideration of the effect of the exercise of share options as they have no dilutive effect during the years ended 31 December 2024 and 2023.

13. RETIREMENT BENEFITS CONTRIBUTION

Pursuant to the Central Provident Fund Act, an employer is obliged to make CPF contributions for all employees who are Singapore citizens or permanent residents who are employed in Singapore under a contract of service (save for employees who are employed as a master, a seaman or an apprentice in any vessel, subject to an exception for owners who have not been exempted from the relevant provisions of the Central Provident Fund Act).

CPF contributions are required for both ordinary wages and additional wages (subject to an ordinary wage ceiling and a yearly additional wage ceiling) of employees at the applicable prescribed rates which are dependent on, among others, the amount of monthly wages and the age of the employee. An employer must pay both the employer's and employee's share of the monthly CPF contribution. However, an employer can recover the employee's share of CPF contributions from their wages when the contributions are paid for that month. The CPF scheme is a comprehensive social security system that enables working Singapore citizens and permanent residents to set aside funds for retirement.

The Group also operates a mandatory provident fund scheme (the "MPF Scheme") under the Hong Kong Mandatory Provident Fund Schemes Ordinance for all qualifying employees in Hong Kong. The Group's contributions to the MPF Scheme are calculated at 5% (2023: 5%) of the salaries and wages subject to a monthly maximum amount of HK$1,500 (2023: HK$1,500) per employee and vest fully with employees when contributed into the MPF Scheme.

The total cost charged to profit or loss of S$131,731 and S$213,913 for the years ended 31 December 2024 and 2023 respectively, represents contributions paid to the retirement benefits scheme by the Group.

14. DIVIDENDS

No dividends were paid, declared or proposed during the year ended 31 December 2024 nor has any dividend been proposed since the end of the reporting period (2023: Nil).

15. PROPERTY, PLANT AND EQUIPMENT

	Building S$	Computers S$	Office equipment and machinery S$	Motor vehicles S$	Total S$
COST					
At 1 January 2023	3,936,109	66,372	417,534	723,907	5,143,922
Additions	–	3,144	–	122,414	125,558
At 31 December 2023 and 1 January 2024	**3,936,109**	**69,516**	**417,534**	**846,321**	**5,269,480**
Additions	**–**	**3,547**	**3,000**	**–**	**6,547**
Written off	**–**	**–**	**–**	**(98,800)**	**(98,800)**
At 31 December 2024	**3,936,109**	**73,063**	**420,534**	**747,521**	**5,177,227**
ACCUMULATED DEPRECIATION					
At 1 January 2023	600,490	66,372	408,471	565,400	1,640,733
Provided for the year	304,391	790	6,734	57,546	369,461
At 31 December 2023 and 1 January 2024	**904,881**	**67,162**	**415,205**	**622,946**	**2,010,194**
Provided for the year	**304,389**	**1,378**	**1,851**	**37,249**	**344,867**
Written off	**–**	**–**	**–**	**(98,800)**	**(98,800)**
At 31 December 2024	**1,209,270**	**68,540**	**417,056**	**561,395**	**2,256,261**
CARRYING AMOUNTS					
At 31 December 2023	3,031,228	2,354	2,329	223,375	3,259,286
At 31 December 2024	**2,726,839**	**4,523**	**3,478**	**186,126**	**2,920,966**

The above items of property, plant and equipment are depreciated on a straight-line basis over the following estimated useful lives:

Building	14 years
Computers	3 years
Office equipment and machinery	5 years
Motor vehicles	5 to 10 years

As at 31 December 2024, building with a carrying amount of S$2,726,839 (2023: S$3,031,228) is pledged for Group's bank loan, the details as set out in note 25.

15. PROPERTY, PLANT AND EQUIPMENT (continued)

Depreciation expense has been included in the consolidated profit or loss as follows:

	2024	2023
	S$	S$
Cost of sales and services	**245,465**	252,460
Selling and administrative expenses	**99,402**	117,001
	344,867	369,461

16. RIGHT-OF-USE ASSETS

	Leasehold properties	**Motor vehicles**	**Total**
	S$	S$	S$
As at 31 December 2024			
Carrying amount	**750,427**	**212,058**	**962,485**
As at 31 December 2023			
Carrying amount	833,808	66,724	900,532
For the year ended 31 December 2024			
Depreciation charged	**83,381**	**23,466**	**106,847**
For the year ended 31 December 2023			
Depreciation charged	83,381	13,100	96,481

The Group leased properties, representing office buildings and worker's accommodation, and the motor vehicles for its operation. Lease contracts of motor vehicles and leasehold properties are entered into for fixed term of six years (2023: six years) and fourteen years (2023: fourteen years), respectively. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. In determining the lease term and assessing the length of the non-cancellable period, the Group applies the definition of a contract and determines the period for which the contract is enforceable.

16. RIGHT-OF-USE ASSETS (continued)

Depreciation expense has been included in the consolidated profit or loss as follows:

	2024	2023
	S$	S$
Cost of sales and services	**62,536**	62,536
Selling and administrative expenses	**44,311**	33,945
	106,847	96,481

As at 31 December 2024, the carrying value of motor vehicles used to secure the lease obligations was S$212,058 (2023: S$66,724) respectively.

Lease liabilities of S$910,452 (2023: S$860,670) are recognised with related right-of-use assets of S$962,485 as at 31 December 2024 (2023: S$900,532).

	2024	2023
	S$	S$
Interest expense on lease liabilities (included in finance costs)	**21,550**	19,650
Expenses relating to short-term lease	**224,780**	166,400

17. INVENTORIES

	2024	2023
	S$	S$
Raw materials	**200,620**	159,559
Finished goods	**14,599**	22,563
	215,219	182,122

18. FINANCIAL ASSETS AT FVTPL

	2024 **S$**	2023 S$
Money market fund	**1,011,779**	–

As of 31 December 2024, the Company held a money market fund classified under financial assets at FVTPL with a carrying value of S$1,011,779 (2023: Nil).

The fund is managed and custodied by United Overseas Bank Asset Management (UOBAM), as authorised by a directors' resolution dated 2 July 2024.

A dedicated account was established with UOBAM on 20 August 2024, with an initial investment of S$1,000,000.

The fund operates as a unit trust, investing primarily in short-term bonds and debentures to generate stable income from excess cash reserves.

The fund is measured at fair value, with changes in fair value recognised directly in profit or loss.

19. TRADE AND OTHER RECEIVABLES

	2024 **S$**	2023 S$
Trade receivables	**7,005,661**	9,028,795
Less: Allowance for ECL of trade receivables	**(5,337,064)**	(4,785,552)
	1,668,597	4,243,243
Prepayment to suppliers	**68,338**	128,954
Rental and other deposits	**69,905**	47,772
Other prepayments	**571,504**	57,313
Other receivables	**9,186**	35,524
Less: Allowance for ECL of deposits and other receivables	**(66)**	(291)
	2,387,464	4,512,515

19. TRADE AND OTHER RECEIVABLES (continued)

Trade receivables are generally granted a credit period of 30 days (2023: 30 days) from the invoice date. The following is an aging analysis of trade receivables, net of allowance for ECL, presented based on invoice date which approximately the respective recognition dates, at the end of the reporting period:

	2024 **S$**	2023 S$
1-30 days	**1,101,050**	1,942,932
31-60 days	**223,565**	593,117
61-90 days	**55,755**	213,137
91-180 days	**2,026**	116,670
181-365 days	**286,201**	78,303
Over 365 days	**–**	1,299,084
	1,668,597	4,243,243

Before granting credit to new customers, the Group reviews the customers' profile and financial position to assess the potential customer's credit quality and defines credit limits for each customer.

Movement in allowance for ECL

Movement in allowance for ECL that has been recognised for trade receivables in accordance with IFRS 9 for the year ended 31 December 2024:

	2024 **S$**	2023 S$
Balance as at 1 January	**4,785,552**	1,614,713
Recognition of ECL	**387,467**	3,236,524
Exchange realignment	**164,045**	(65,685)
Balance as at 31 December	**5,337,064**	4,785,552

Details of impairment assessment for the years ended 31 December 2024 and 2023 are set out in note 32(b).

20. CONTRACT ASSETS

	2024 **S$**	2023 S$
Arising from performance under fitting-out and renovation services	**4,568,706**	4,503,762
Arising from performance under signage business	**1,374,462**	992,520
	5,943,168	5,496,282
Less: Allowance for ECL	**(238,733)**	(208,237)
	5,704,435	5,288,045

Movement in ECL that has been recognised for contract assets in accordance with IFRS 9 for the year ended 31 December 2024:

	2024 **S$**	2023 S$
Balance as at 1 January	**208,237**	131,253
Recognition of ECL	**22,888**	80,643
Exchange realignment	**7,608**	(3,659)
Balance as at 31 December	**238,733**	208,237

Contract assets arising from signage business are retention monies held by customers which will be repaid upon expiry of defect liability period, in accordance with sales contracts.

The contract assets under fitting-out and renovation services primarily relate to the Group's right to consideration for work completed and not billed because the rights are conditional on the Group's future performance in achieving specified milestones at the end of the reporting period on the fitting-out and renovation services. The contract assets are transferred to trade receivables when the rights become unconditional. The Group typically transfers contract assets to trade receivables upon achieving the specified milestones in the contracts.

The amount of contract assets that is expected to be recovered within the Group normal operating cycle is approximately S$5,704,435 (2023: S$5,288,045).

Details of impairment assessment for the years ended 31 December 2024 and 2023 are set out in note 32(b).

21. CASH AND BANK BALANCES

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

22. TRADE PAYABLES

The following is an aging analysis of trade payables presented based on the invoice date, at the end of each reporting period:

	2024 S$	2023 S$
0–30 days	**1,330,242**	1,094,020
31–90 days	**519,246**	465,991
Over 90 days	**4,848**	108,918
	1,854,336	1,668,929

23. OTHER PAYABLES AND ACCRUALS

	2024 S$	2023 S$
Accrued operating expenses	**1,357,629**	603,320
Accrued staff commission and bonus	**1,006,017**	1,195,972
Goods and services tax payable	**166,645**	194,967
	2,530,291	1,994,259

24. CONTRACT LIABILITIES

	2024	2023
	S$	S$
Billing in advance of performance obligation – Signage business	**344,238**	778,819

Contract liabilities are balances due to customers under sale contracts. When the Group receives a deposit from customer, this will give rise to contract liabilities at the beginning of a contract, until the revenue is recognised.

Movement in contract liabilities

	2024	2023
	S$	S$
Balance as at 1 January	**778,819**	89,342
Decrease in contract liabilities as a result of recognising revenue during the year	**(778,819)**	(89,342)
Increase in contract liabilities as a result of receiving deposits from the customers	**344,238**	778,819
Balance as at 31 December	**344,238**	778,819

The decrease in the contract liabilities for the year was due to the signage business in Singapore which the number of ongoing projects is decreased. As a result, the deposits received upon acceptance of contracts decreased.

25. BANK LOAN

At 31 December 2024, bank loan of the Group was repayable as follows:

	2024	2023
	S$	S$
On demand or within one year	**1,603,224**	1,943,423

Bank loan with a repayment on demand clause is included in the "on demand or within 1 year" time bank.

25. BANK LOAN (continued)

The analysis of the repayment schedule of borrowings is as follows:

	2024 S$	2023 S$
On demand or within one year	**353,694**	340,199
More than one year, but not exceeding two years	**369,846**	353,694
More than two years, but not more than five years	**879,684**	1,249,530
	1,603,224	1,943,423
Amounts shown under current liabilities – repayable within one year	**1,603,224**	1,943,423

The bank loan is secured by legal charge on the Group's building (note 15) and personal guarantees from certain directors of the Company. The interest shall be computed based on 1.0%+SIBOR per annum over the 3-months Compounded Singapore Overnight Rate Average for first two years and remaining of three years (2023: four) respectively.

For the year ended 31 December 2024, the effective interest rates of the Group's bank loan at 4.69% (2023: 4.9%) per annum.

26. LEASE LIABILITIES

	Minimum lease payments		**Present value of minimum lease payments**	
	2024 S$	2023 S$	**2024 S$**	2023 S$
Amounts payable:				
Not later than one year	**133,043**	108,677	**108,930**	91,345
Later than one year and not later than five years	**502,465**	377,245	**443,422**	326,272
More than five years	**373,570**	466,962	**358,100**	443,053
	1,009,078	952,884	**910,452**	860,670
Less: future finance charges	**(98,626)**	(92,214)	**–**	–
Present value of lease obligations	**910,452**	860,670	**910,452**	860,670
Less: Amount due for settlement within 12 months (shown under current liabilities)			**(108,930)**	(91,345)
Amount due for settlement after 12 months (shown under non-current liabilities)			**801,522**	769,325

The incremental borrowing rate applied to lease liabilities is 2.1% to 4.7% and 2.1% to 4.7% per annum as at 31 December 2024 and 2023 respectively.

27. DEFERRED TAX

The movements in deferred tax during the years ended 31 December 2024 and 2023 are as follow:

	Accumulated tax depreciation S$	Tax losses S$	Donations S$	Total S$
At 1 January 2023	(2,503)	53,589	425	51,511
Credited/(charged) to profit or loss (note 9)	2,503	(53,589)	(425)	(51,511)
At 31 December 2023, 1 January 2024 and 31 December 2024	–	–	–	–

As at 31 December 2024, the Group has unused tax losses of S$3,916,071 (2023: S$3,005,571) available for offset against future taxable profits. No deferred tax asset has been recognised in respect of such tax losses and other deductible temporary differences as at 31 December 2024 and 2023 due to the unpredictability of future profit streams. The unused tax losses may be carried forward indefinitely.

28. SHARE CAPITAL

	Number of shares	Share capital HK$
Authorised:		
At 1 January 2023, 31 December 2023, 1 January 2024 and 31 December 2024 (Ordinary shares of HK$0.03125 each)	1,600,000,000	50,000,000

	Number of shares	Share capital HK$	Share capital S$
Issued and fully paid:			
At 1 January 2023, 31 December 2023, 1 January 2024 and 31 December 2024 (Ordinary shares of HK$0.03125 each)	236,800,000	7,400,000	1,271,455

29. SHARE-BASED PAYMENTS

The Company's share option scheme (the "Scheme") was adopted pursuant to a resolution passed on 21 September 2018 for primary purpose of providing incentives to eligible participants for their contributions to, and continuing efforts to promote the interests of, the Company.

The eligible participants include any full time or part time employees of the Group (including any directors, whether executive or non-executive and whether independent or not, of the Group); and any business or joint venture partners, contractors, agents or representatives, consultants, advisers, suppliers, producers or licensors, customers, licensees (including any sublicensee) or distributors, landlords or tenants (including any sub-tenants) of the Group who, in the sole discretion of the board of directors of the Company, has contributed or may contribute to the Group.

The total number of shares which may be issued upon exercise of all share options to be granted under the Scheme must not, in aggregate, exceed 10% of the issued share capital of the Company as at the date of the approval of the Scheme or the date of shareholders' approval of a refreshment of such limit in a general meeting of the Company. The total number of shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Scheme must not exceed 30% of the issued shares of the Company in issue from time to time. The maximum number of shares issued and to be issued upon exercise of the options granted to each participant (including exercised and outstanding options) in any twelve (12)-month period up to the date of grant shall not exceed 1% of the issued share capital of the Company. Any further grant of share options in excess of this limit is subject to approval by the shareholders of the Company in the general meeting of the Company with such participant and his/her/its close associates abstain from voting.

The offer of a grant of share options may be accepted within 21 days from the date of the offer, upon payment of a nominal consideration of HK$1 in total by the grantee.

The exercise price of the share options is determinable by the board of directors, but may not be less than the highest of (i) the closing price of the Company's shares as stated in the daily quotation sheets issued by the Stock Exchange on the offer date of the share options; (ii) the average closing price of the Company's shares as stated in the daily quotation sheets issued by the Stock Exchange for the five trading days immediately preceding the offer date; and (iii) the nominal value of the Company's shares on the offer date, when applicable.

The Share Option Scheme shall be valid and effective for a period of ten years from 21 September 2018.

29. SHARE-BASED PAYMENTS (continued)

As at 31 December 2023, the number of shares in respect of which options had been granted and remained outstanding under the Scheme was 22,400,000, representing 9.5% of the shares of the Company in issue at that date. The share options were lapsed during the year ended 31 December 2024.

Details of specific categories of options as at 31 December 2024 and 2023 are as follows:

Date of grant	Exercise period	Exercise price
7 April 2022	7 April 2022 to 6 April 2024	HK$0.50

The following table discloses movements of the Scheme during the year:

Option	Outstanding at 1/1/2023, 31/12/2023 and 1/1/2024	Lapsed during year	Granted during year	Exercised during year	Outstanding at 31/12/2024
Employees	22,400,000	**(22,400,000)**	–	–	–
Exercisable	22,400,000	**(22,400,000)**	–	–	–
Weighted average exercise price	HK$0.50	**HK$0.50**	–	–	–

No share options were granted or exercised under the Scheme during the years ended 31 December 2024 and 2023.

These fair values were calculated using the Binomial Option Pricing model. The inputs into the model were as follows·

	7 April 2022
Share price of each share at grant date	HK$0.50
Fair value of each share option at grant date	HK$0.20
Weighted average share price	HK$0.50
Exercise price	HK$0.50
Expected volatility	102.18%
Expected life	2 years
Risk-free rate	1.97%
Expected dividend yield	0%

The expected volatility is based on the historic volatility (calculated based on the weighted average remaining life of the share options), adjusted for any expected changes to future volatility based on publicly available information. Expected dividends are based on historical dividends. The assumptions used in computing the fair value of the share options are based on management's best estimate. Changes in the subjective input assumptions could materially affect the fair value estimate.

As at 31 December 2023, the weighted average remaining contractual life of the share option is 0.27 year.

30. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

(a) Major non-cash transaction

Addition to right-of-use assets during the year ended 31 December 2024 of S$168,800 (2023: Nil) were financed by lease liabilities.

(b) Reconciliation of liabilities arising from financing activities

	Lease liabilities	Bank loan	Total
	S$	S$	S$
At 1 January 2023	951,884	2,258,357	3,210,241
Interest charged	19,650	110,353	130,003
Financing cash outflows	(110,864)	(425,287)	(536,151)
At 31 December 2023 and 1 January 2024	860,670	1,943,423	2,804,093
New leases	168,800	–	168,800
Interest charged	21,550	83,641	105,191
Financing cash outflows	(140,568)	(423,840)	(564,408)
At 31 December 2024	910,452	1,603,224	2,513,676

(c) Total cash outflows for leases

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

	2024	2023
	S$	S$
Within operating activities	**224,780**	166,400
Within financing activities	**140,568**	110,864
Total	**365,348**	277,264

31. CAPITAL MANAGEMENT

The Group manages its capital to ensure that it will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance. The Group's overall strategy of capital management remains unchanged throughout the reporting period.

The capital structure of the Group consists of debt, which includes, lease liabilities and bank loan, net of bank and cash balances and equity attributable to owners of the Company, comprising share capital and reserves.

The management of the Group reviews the capital structure from time to time. As a part of this review, the management considers the cost of capital and the risks associated with each class of capital. Based on recommendations of the management, the Group will balance its overall capital structure through the payment of dividends, the issue of new shares and new debts.

The externally imposed capital requirements for the Group is mainly maintain its listing on the Stock Exchange, it has to have a public float of at least 25% of the total number of the shares in issue.

The Group receives reports from major shareholders and other connected persons on any changes in shareholding to ensure the continuing compliance with the 25% limit throughout the year.

The Company has maintained the prescribed public float under the GEM Listing Rules during the years ended 31 December 2024 and 2023.

Breaches to fulfill the financial covenants would permit the bank to immediately demand repayment of the loan. There have been no breaches in the financial covenants of any bank loan for the years ended 31 December 2024 and 2023.

The following is the debt to equity ratio at the end of each reporting period:

	2024 **S$**	2023 S$
Total borrowings (note (a))	**2,513,676**	2,804,093
Less: cash and cash equivalents (note (b))	**(4,505,235)**	(4,292,329)
Net surplus	**(1,991,559)**	(1,488,236)
Total equity (note (c))	**10,220,869**	10,920,150
Debt to equity ratio	**N/A**	N/A

Notes:

(a) Total borrowings represent bank loan and lease liabilities.

(b) Cash and cash equivalents included cash and bank balances.

(c) Total equity includes share capital and reserves.

32. FINANCIAL INSTRUMENTS

a. Categories of financial instruments

	2024 S$	2023 S$
Financial assets		
Financial assets at FVTPL	**1,011,779**	–
Amortised cost (including cash and bank balances)	**6,252,857**	8,618,577
Financial liabilities		
Amortised cost	**5,821,206**	5,411,644

b. Financial risk management objectives and policies

The risks associated with these financial instruments include (i) market risks (foreign exchange risk, price risk and interest rate risk), (ii) liquidity risk and (iii) credit risk. The policies on how to mitigate these risks are set out below. The management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

(i) Market risks

Foreign exchange risk

The Group's foreign currency exposures arise mainly from the exchange rate movements of the Hong Kong dollars ("HK$") against the S$.

The Group currently does not have a foreign currency hedging policy in respect of foreign currency exposure. The management monitors foreign exchange exposure closely and will consider hedging significant foreign currency exposure should the need arise.

At the end of the reporting period, the carrying amounts of monetary assets and monetary liabilities denominated in currencies other than the respective functional currency of entities within the Group are as follows:

	Assets		Liabilities	
	2024 S$	2023 S$	2024 S$	2023 S$
HK$	**1,296,792**	653,678	**1,139,814**	1,483,100

32. FINANCIAL INSTRUMENTS (continued)

b. Financial risk management objectives and policies (continued)

(i) Market risks (continued)

Foreign exchange risk (continued)

The sensitivity rate used when reporting foreign currency risk is 5%, which is the change in foreign exchange rate that management deems reasonably possible which will affect outstanding foreign currency denominated monetary items at the end of the reporting period.

If the HK$ to strengthen/weaken by 5% (2023: 5%) against the S$, loss before tax will increase/decrease by S$7,849 (2023: loss before tax will decease/increase by S$41,471).

Price risk

The Group is exposed to equity price risk mainly through its financial assets at FVTPL. The management manages this exposure by maintaining a portfolio of investments with different risk and return profiles.

Sensitivity analysis on price risk has not been presented as the reasonably possible changes in market price will not have significant impact on the Group's consolidated financial statements.

Interest rate risk

The Group is exposed to cash flow interest rate risk mainly in relation to bank balances and bank loan. The interest rate and terms of repayment of the bank loan are disclosed note 25. The Group's bank balances are short-term in nature and the exposure of the interest rate is minimal.

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

At the end of the reporting period, the carrying amount of bank loan of the Group is S$1,603,224 (2023: S$1,943,423).

Assuming that the amount of bank balances and bank loan outstanding at the end of the reporting period is outstanding for the whole year and interest rate increase/decrease instantaneously by 100 (2023: 100) basis points at the end of the reporting period, with all other variables held constant, the loss before tax of the Group would decrease/increase by S$29,020 (2023: S$23,489).

32. FINANCIAL INSTRUMENTS (continued)

b. Financial risk management objectives and policies (continued)

(ii) Liquidity risk

In the management of the liquidity risk, the management of the Group monitors and maintains a sufficient level of cash and bank balances to finance the Group's operations and mitigate the effects of fluctuations in cash flows.

The following tables detail the Group's remaining contractual maturities for its financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The tables include both interest and principal cash flows.

	On demand or within 1 year S$	1-5 years S$	Over 5 years S$	Total undiscounted cash flows S$	Carrying amount S$
At 31 December 2024					
Non-interest bearing Instruments					
Trade and other payables	4,217,982	–	–	4,217,982	4,217,982
Interest bearing instruments					
Bank loan (note)	1,603,224	–	–	1,603,224	1,603,224
Lease liabilities	133,043	502,465	373,570	1,009,078	910,452
Total	5,954,249	502,465	373,570	6,830,284	6,731,658
At 31 December 2023					
Non-interest bearing Instruments					
Trade and other payables	3,468,221	–	–	3,468,221	3,468,221
Interest bearing instruments					
Bank loan (note)	1,943,423	–	–	1,943,423	1,943,423
Lease liabilities	108,677	377,245	466,962	952,884	860,670
Total	5,520,321	377,245	466,962	6,364,528	6,272,314

Note: Bank loan with a repayment on demand clause is included in the "on demand or within 1 year" time bank in the above maturity analysis. As at 31 December 2024 and 2023, the aggregate undiscounted principal and interests amounts of this bank loan amounted to S$1,768,745 and S$2,192,563 respectively. Taking into account the Group's consolidated financial position, the directors of the Company do not believe that it is probable that the bank should exercise its discretionary rights to demand immediate repayment. The directors of the Company believe that such bank loan should be repaid in accordance with the scheduled repayment dates set out in the loan agreements.

32. FINANCIAL INSTRUMENTS (continued)

b. Financial risk management objectives and policies (continued)

(iii) Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments. The Group's exposure to credit risk arising from cash and bank balances and derivative financial assets is limited because the counterparties are banks and financial institutions with high credit-rating assigned by international credit-rating agencies, for which the Group considers to have low credit risk.

The Group has concentration of credit risk in certain individual customers. Approximately 41% and 74% (2023: 29% and 72%) of total trade receivables outstanding at 31 December 2024 were due from largest customers and top 5 customers, respectively, which exposed the Group to concentration of credit risk. The Group seeks to minimise its risk by dealing with counterparties which have good credit history.

Customer's credit risk is managed by each business unit subject to the Group's established policy, procedures and control relating to customer credit risk management. Individual credit evaluations are performed on all customers for credit over a certain amount. These evaluations focus on the customer's past history of making payments when due and current ability to pay, and take into account information specific to the customer as well as pertaining to the economic environment in which the customer operates. Trade receivables are due within 30 days from the date of billing. Normally, the Group does not obtain collaterals from customers.

Trade receivables and contract assets

The Group applies the simplified approach to provide for ECL prescribed by IFRS 9, which permits the use of the lifetime ECL for all trade receivables and contract assets. As the Group's historical credit loss experience on trade receivables and contract assets does not indicate significantly different loss patterns for different customer segments, the ECL on trade receivables and contract assets based on past due status is not further distinguished between the Group's different customer bases. The Group has performed historical analysis and identified the key economic variables impacting credit risk and ECL. It considers available reasonable and supportive forwarding-looking information.

32. FINANCIAL INSTRUMENTS (continued)

b. Financial risk management objectives and policies (continued)

(iii) Credit risk (continued)

Trade receivable and contract assets (continued)

The analysis of changes in the gross carrying amount and corresponding provision of ECL on trade receivables are as follows:

	Not past due S$	Within 30 days S$	31 to 60 days S$	61 to 150 days S$	151 to 330 days S$	Over 330 days S$	Total S$
As at 31 December 2024							
ECL rate	4.7%	4.7%	4.7%	7.1%	14.2%	100%	76.2%
Gross carrying amount (S$)	1,155,586	234,638	58,517	2,180	333,405	5,221,335	7,005,661
Lifetime ECL	(54,536)	(11,073)	(2,762)	(154)	(47,204)	(5,221,335)	(5,337,064)
	1,101,050	223,565	55,755	2,026	286,201	–	1,668,597
As at 31 December 2023							
ECL rate	4.2%	4.2%	4.2%	6.4%	12.7%	78.1%	53.0%
Gross carrying amount (S$)	2,028,958	619,378	222,574	124,594	89,714	5,943,577	9,028,795
Lifetime ECL	(86,026)	(26,261)	(9,437)	(7,924)	(11,411)	(4,644,493)	(4,785,552)
	1,942,932	593,117	213,137	116,670	78,303	1,299,084	4,243,243

The analysis of changes in the gross carrying amount and the corresponding allowance for ECL on contract assets are as follows:

	2024 Not past due S$
ECL rate	**4.0%**
Contract assets, gross	**5,943,168**
Less: Allowance for ECL	**(238,733)**
Contract assets, net	**5,704,435**

	2023 Not past due S$
ECL rate	3.8%
Contract assets, gross	5,496,282
Less: Allowance for ECL	(208,237)
Contract assets, net	5,288,045

32. FINANCIAL INSTRUMENTS (continued)

b. Financial risk management objectives and policies (continued)

(iii) Credit risk (continued)

Deposits and other receivables

Management has overall responsibility for the Group's credit policies and oversees the credit quality of the Group's deposits and other receivables. The Group has adopted internal control procedures to mitigate credit risk by evaluation of creditability of the debtors.

The Group recognised the allowance for ECL by assessing the credit risk characteristics of debtor, value of collateral, the likelihood of recovery, forward looking information and considering the prevailing economic conditions.

The Group uses three categories for deposit and other receivables which reflect their credit risk and how the loss provision is determined for each of the categories.

Stage 1

Deposits and other receivables have not experienced a significant increase in credit risk since origination and impairment recognised on the basis of 12 months ECL.

Stage 2

Deposits and other receivables to customers have experienced a significant increase in credit risk since origination and impairment is recognised on the basis of lifetime ECL (Lifetime ECL not credit-impaired).

Stage 3

Deposits and other receivables that are in default and considered credit impaired (Lifetime ECL credit impaired).

32. FINANCIAL INSTRUMENTS (continued)

b. Financial risk management objectives and policies (continued)

(iii) Credit risk (continued)

Deposits and other receivables (continued)

The analysis of changes in the gross carrying amount and the corresponding allowance for on deposits and other receivables are as follows:

	2024 **Stage 1** **S$**
ECL rate	**0.1%**
Deposits and other receivables, gross	**79,091**
Less: Allowance for ECL	**(66)**
Deposits and other receivables, net	**79,025**

	2023 Stage 1 S$
ECL rate	0.3%
Deposits and other receivables, gross	83,296
Less: Allowance for ECL	(291)
Deposits and other receivables, net	83,005

Bank balances

The credit risk on bank balances is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies. In this regard, the directors of the Company consider that the Group's credit risk on bank balances is significantly reduced.

33. FAIR VALUE MEASUREMENT

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The following disclosures of fair value measurements use a fair value hierarchy that categorises into three levels the inputs to valuation techniques used to measure fair value:

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

Level 2 inputs: inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 inputs: unobservable inputs for the asset or liability.

The Group's policy is to recognise transfers into and transfers out of any of the three levels as of the date of the event or change in circumstances that caused the transfer.

Disclosures of level in fair value hierarchy at 31 December

2024

Description	**Fair value measurements using Level 1 S$**
Financial assets	
Financial assets at FVTPL	**11,779**

2023

Description	Fair value measurements using Level 1 S$
Financial assets	
Financial assets at FVTPL	–

During the year, there were no transfers in the fair value hierarchy between Level 1 and Level 2, or transfers into or out of Level 3 (2023: Nil).

34. PLEDGE OF ASSETS

At the end of the reporting period, the following assets were pledged:

	2024 S$	2023 S$
Building (note 15)	**2,726,839**	3,031,228
Motor vehicles (note 16)	**212,058**	66,724
	2,938,897	3,097,952

35. RELATED PARTY DISCLOSURES

The Group's transactions and arrangements with related parties and the effects of these transactions and arrangements on the basis determined between the parties are reflected in these consolidated financial statements.

Key management personnel remuneration

Remuneration for key management personnel of the Group is the amounts paid to the Company's directors as disclosed in note 11.

36. PARTICULARS OF SUBSIDIARIES

Particular of the subsidiaries of the Company are as follows:

Name	Place of incorporation/ operation	Paid up issued capital	Group's effective interest		Held by the Company		Principal activities
			2024	2023	2024	2023	
Sino Promise Investment Limited	British Virgin Islands (the "BVI")	US$1	**100%**	100%	**Directly 100%**	Directly 100%	Investment holding
Joyful Passion Limited	BVI	US$1	**100%**	100%	**Directly 100%**	Directly 100%	Investment holding
Top Construction Limited	Hong Kong	HK$1	**100%**	100%	**Indirectly 100%**	Indirectly 100%	Fitting-out and renovation services
Signmechanic Pte Ltd	Singapore	S$2,000,000	**100%**	100%	**Indirectly 100%**	Indirectly 100%	Design, fabrication, installation and maintenance of signage and related products

37. OPERATING LEASE ARRANGEMENTS

The Group as lessee

The Group regularly entered into short-term leases for worker's accommodation. As at 31 December 2024 and 2023, the portfolio of short-term leases is similar to the portfolio of short-term leases to which the short-term lease expenses disclosed in note 16.

As at 31 December 2024, the outstanding lease commitments relating to the worker's accommodation is S$20,388 (2023: S$48,600).

38. STATEMENT OF FINANCIAL POSITION AND RESERVES OF THE COMPANY

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

	Note	2024 S$	2023 S$
Non-current asset			
Investments in subsidiaries		**6,570,095**	6,570,095
Current assets			
Prepayments		**–**	3,750
Cash and bank balances		**185,924**	182,294
Total current assets		**185,924**	186,044
Current liability			
Other payables and accruals		**1,070,789**	727,952
Net current liabilities		**(884,865)**	(541,908)
NET ASSETS		**5,685,230**	6,028,187
Capital and reserves			
Share capital	28	**1,271,455**	1,271,455
Share premium		**15,488,351**	15,488,351
Share-based payment reserve		**–**	806,534
Accumulated losses		**(11,074,576)**	(11,538,153)
TOTAL EQUITY		**5,685,230**	6,028,187

38. STATEMENT OF FINANCIAL POSITION AND RESERVES OF THE COMPANY (continued)

The movement of the Company's reserves is as follows:

	Share premium S$	Share-based payments reserve S$	Accumulated losses S$	Total S$
At 1 January 2023	15,488,351	806,534	(7,957,425)	8,337,460
Loss and total comprehensive loss for the year	–	–	(3,580,728)	(3,580,728)
At 31 December 2023 and 1 January 2024	15,488,351	806,534	(11,538,153)	4,756,732
Loss and total comprehensive loss for the year	–	–	(342,957)	(342,957)
Lapsed of share options (note 29)	–	(806,534)	806,534	–
At 31 December 2024	15,488,351	–	(11,074,576)	4,413,775

SUMMARY OF FINANCIAL INFORMATION

31 December 2024

The following is a summary of the consolidated results and of the assets and liabilities of the Group for the last five financial years as extracted from the published financial statements:

	Year ended 31 December				
	2024	2023	2022	2021	2020
	S$	S$	S$	S$	S$
RESULTS					
Revenue	**15,889,279**	14,008,147	30,379,066	18,541,810	6,383,204
(Loss)/profit before tax	**(706,117)**	(1,960,364)	(1,621,897)	333,958	(3,540,990)
Income tax (expense)/credit	**(195,513)**	(320,090)	–	(88,200)	113,711
(Loss)/profit for the year	**(901,630)**	(2,280,454)	(1,621,897)	245,758	(3,427,279)
	As at 31 December				
ASSETS AND LIABILITIES					
Non-current assets	**3,883,451**	4,159,818	4,551,713	4,020,447	4,591,303
Current assets	**13,824,132**	14,275,011	14,018,400	13,074,231	11,104,318
Current liabilities	**(6,685,192)**	(6,745,354)	(2,722,498)	(1,938,738)	(2,772,070)
Net current assets	**7,138,940**	7,529,657	11,295,902	11,135,493	8,332,248
Non-current liabilities	**(801,522)**	(769,325)	(2,772,044)	(2,286,255)	(2,659,930)
Net assets	**10,220,869**	10,920,150	13,075,571	12,869,685	10,263,621