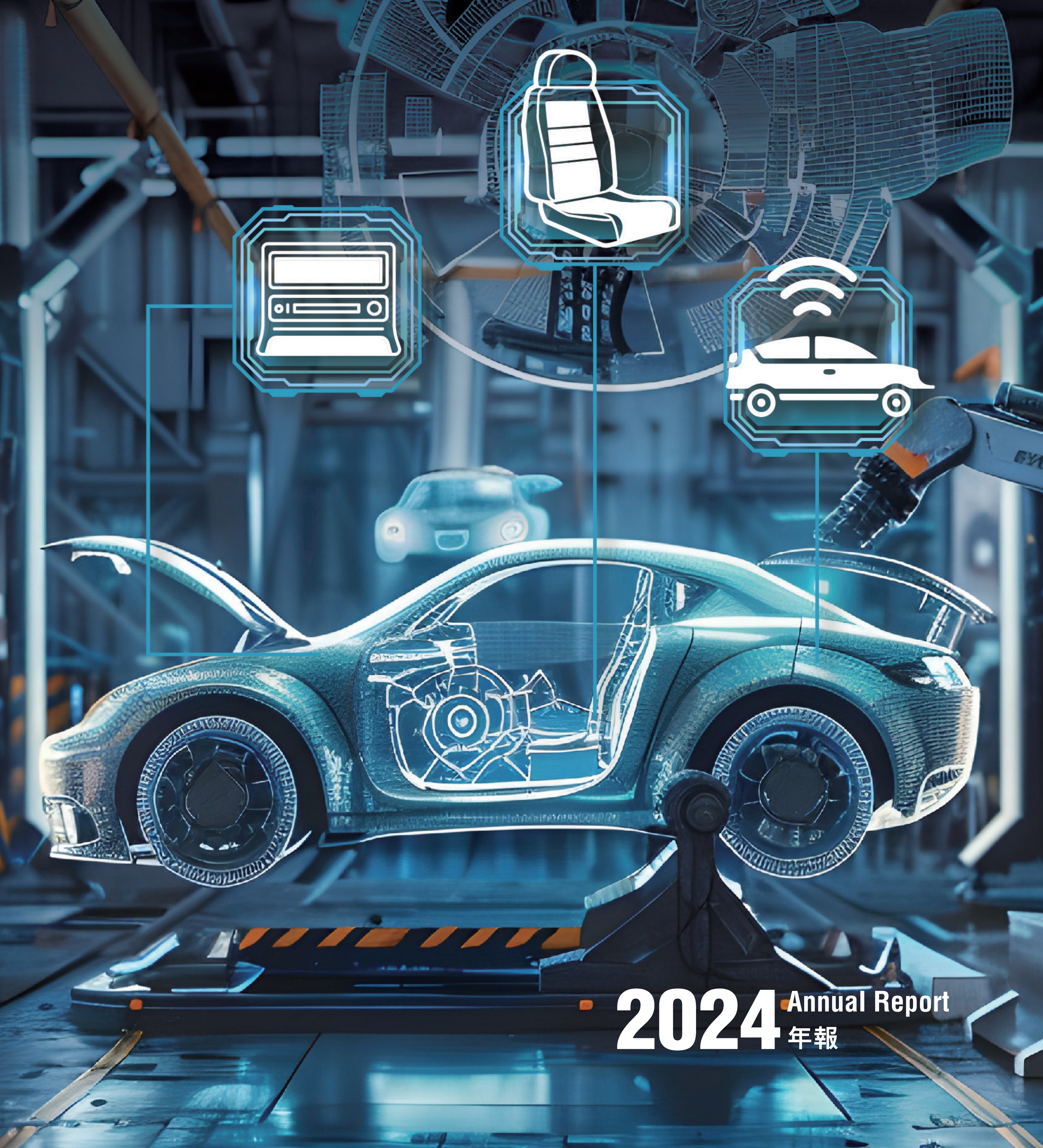
萬馬控股有限公司
TOMO Holdings Limited

(Incorporated in the Cayman Islands with limited liability 於開曼群島註冊成立之有限公司)

Stock Code 股份代號：**6928**



2024 Annual Report 年報

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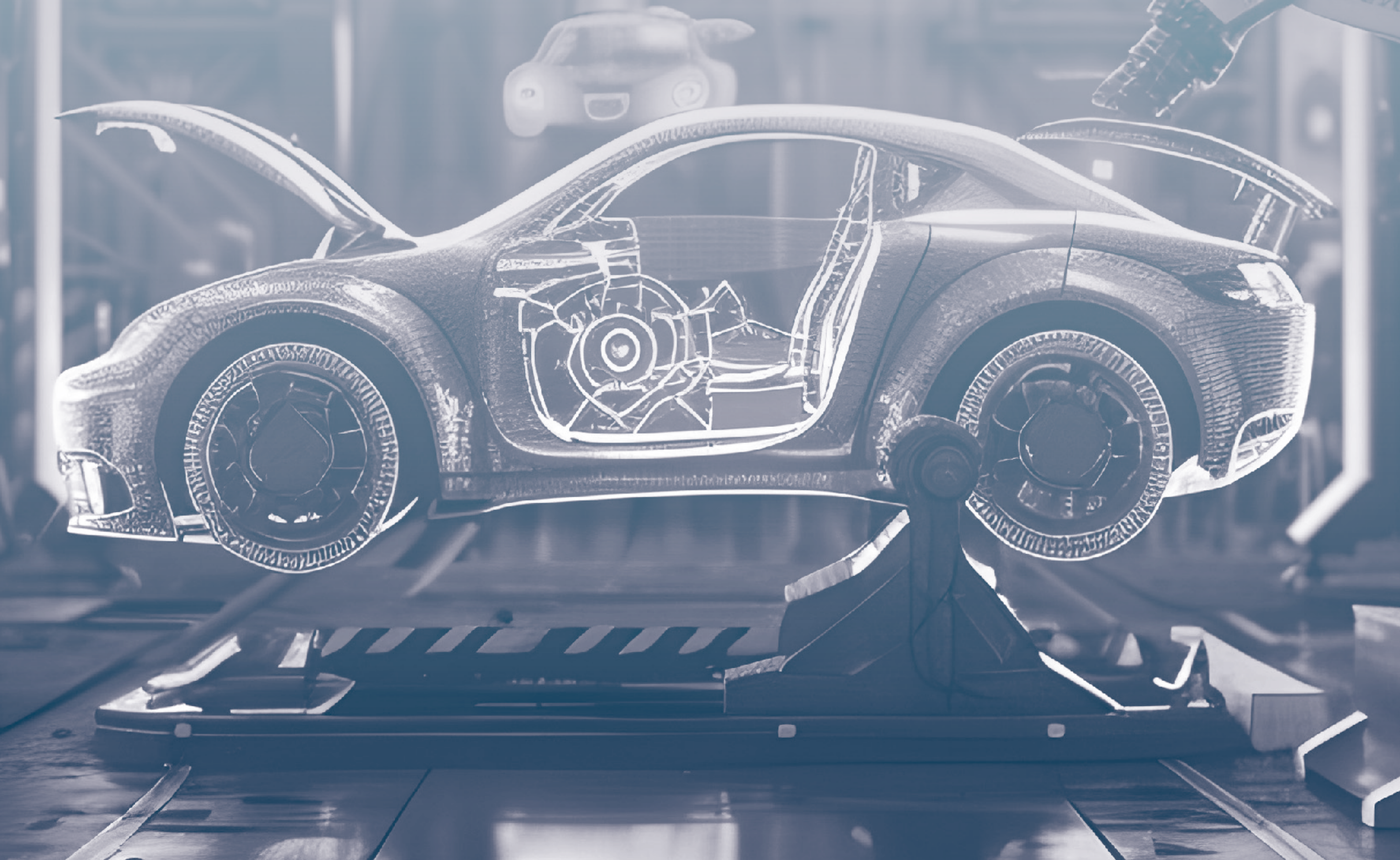

CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors

Mr. Lu Yongde *(Chairman)*
(appointed on 22 July 2024)
Mr. Tsang Chun Ho Anthony
Ms. Ma Xiaoqiu *(Chairlady)*
(removed on 19 March 2024)

Non-executive Directors

Mr. Choi Tan Yee
Ms. Liu Xinyi (removed on 19 March 2024)
Ms. Chen Jun (removed on 19 March 2024)
Ms. Lyu Qiujia (removed on 19 March 2024)

Independent non-executive Directors

Mr. Cheng Wai Hei
Mr. Lam Chi Wing (appointed on 2 January 2024)
Ms. Li Jiayao (appointed on 6 June 2024)
Mr. Jin Lailin (removed on 19 March 2024)
Mr. Peng Peng (resigned on 2 January 2024)

BOARD COMMITTEES

Audit Committee

Mr. Cheng Wai Hei *(Chairman)*
Mr. Lam Chi Wing (appointed on 2 January 2024)
Ms. Li Jiayao (appointed on 6 June 2024)
Mr. Jin Lailin (removed on 19 March 2024)
Mr. Peng Peng (resigned on 2 January 2024)

Remuneration Committee

Mr. Cheng Wai Hei *(Chairman)*
Mr. Lam Chi Wing (appointed on 2 January 2024)
Ms. Li Jiayao (appointed on 6 June 2024)
Ms. Ma Xiaoqiu (removed on 19 March 2024)
Mr. Jin Lailin (removed on 19 March 2024)
Mr. Peng Peng (resigned on 2 January 2024)

Nomination Committee

Mr. Cheng Wai Hei
Mr. Lam Chi Wing (appointed on 2 January 2024)
Ms. Li Jiayao (appointed on 6 June 2024)
Ms. Ma Xiaoqiu *(Chairlady)*
(removed on 19 March 2024)
Ms. Liu Xinyi (removed on 19 March 2024)
Mr. Jin Lailin (removed on 19 March 2024)
Mr. Peng Peng (resigned on 2 January 2024)

COMPANY SECRETARY

Ms. Lam Wai

AUTHORISED REPRESENTATIVES

Mr. Choi Tan Yee
Ms. Lam Wai (appointed on 19 March 2024)
Ms. Liu Xinyi (ceased on 19 March 2024)

AUDITOR

SFAI (HK) CPA Limited
Registered Public Interest Entity Auditor
Room 2702, 27/F.
Wu Chung Building
213 Queen's Road East
Wan Chai, Hong Kong

LEGAL ADVISER AS TO HONG KONG LAW

Messrs. HL Lawyers
Unit 903, 9/F.
Harbour Crystal Centre
100 Granville Road, Tsim Sha Tsui
Kowloon
Hong Kong

Messrs. David Fenn & Co.
Suite 2812, 28th Floor, Shui On Centre
6–8 Harbour Road, Wanchai
Hong Kong

CORPORATE INFORMATION

REGISTERED OFFICE

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

HEADQUARTERS AND PRINCIPAL PLACE OF BUSINESS IN SINGAPORE

Block 3018
Bedok North Street 5
#02-08 Eastlink
Singapore 486132

PRINCIPAL PLACE OF BUSINESS IN HONG KONG REGISTERED UNDER PART 16 OF THE COMPANIES ORDINANCE

Unit 903, 9/F.
Harbour Crystal Centre
100 Granville Road, Tsim Sha Tsui
Kowloon, Hong Kong

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Conyers Trust Company (Cayman) Limited
Cricket Square, Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

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

PRINCIPAL BANKERS

Bank of China (Hong Kong) Limited
DBS Bank Limited
DBS Bank (Hong Kong) Limited

COMPANY'S WEBSITE

www.tomogroupltd.com

PLACE OF LISTING

The Stock Exchange of Hong Kong Limited

STOCK CODE

6928

CHAIRMAN'S STATEMENT

Dear Shareholders,

On behalf of the board (the "Board") of directors (the "Directors") of TOMO Holdings Limited (the "Company"), I am pleased to present the annual report of the Company and its subsidiaries (collectively, the "Group") for the year ended 31 December 2024.

As we reflect on the past few years, the Group has encountered challenging business conditions, further complicated by the Sino-U.S.A. trade war and a volatile global economy. Throughout 2024, both business and consumer confidence have remained low, significantly affecting our overall performance.

In terms of market dynamics, the certificate of entitlement (the "COE") quota for 2024 has increased compared to 2023, resulting in a decline in COE prices from the peak levels seen in 2023, which were nearly at a 10-year high. This adjustment has led to a modest increase in sales and demand for newly registered cars in Singapore during the year. However, ongoing economic uncertainty continues to present challenges for our operations in the foreseeable future.

To navigate these hurdles, the Group has strengthened partnerships with suppliers and customers, allowing us to offer competitive pricing and adapt to shifting consumer preferences. We remain dedicated to understanding and meeting market demands effectively.

Despite the difficult landscape, we maintain an optimistic outlook and are actively pursuing new opportunities. The Group is focused on its strategic objectives in Singapore while also exploring growth prospects that align with our long-term vision.

The Board would like to take this opportunity to express its gratitude to all shareholders, customers, suppliers and business partners of for their continuous support. I would also like to thank the management team and staff for their commitment and dedication during this tough period.

Lu Yongde
Executive Director
TOMO Holdings Limited

Hong Kong, 28 March 2025

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

The Group is principally engaged in the (i) sales and installation of passenger vehicle leather upholstery and electronic accessories; and (ii) sales of electronic accessories, automotive parts and motor vehicle. The shares of the Company were listed on GEM of The Stock Exchange of Hong Kong Limited ("HKEx") on 13 July 2017 (the "Listing Date") (the "Listing") and were transferred to be listed on the Main Board of the HKEx on 23 December 2019.

The Group has experienced challenging business operation conditions due to the Sino-U.S.A. trade war, and the global economic environment is expected to become more complicated and severe. Both business and consumer sentiment have remained persistently weak during the year ended 31 December 2024, thus, the Group's performance was significantly impacted. The certificate of entitlement (the "COE") quota for 2024 is higher than that of 2023. As a result, the COE prices in 2024 have reduced from the peak in 2023, which was close to a 10-year high. Consequently, the sales and demand for newly registered cars in Singapore have slightly increased in 2024. However, economic uncertainty is still posing challenges for the Group's operations in the foreseeable future.

In the Current Year, the Group's revenue decreased by approximately 68.8%, the gross profit increased by approximately 122.1% and reported a loss of approximately S$2,630,000. There was a loss of approximately S$10,582,000 in the Corresponding Year. It was mainly due to the sharp decline in the sales of automotive parts and suspension of the motor vehicle sales and trading business. On the other hand, the group recorded increase in sales in the electronic accessories segment with higher margin in the Current Year. The decline in motor vehicle sales is primarily attributed to the reduced demand for internal combustion engine vehicles ("ICE") compared to electric vehicles ("EV") from China. In the Current Year, the overall performance of car resellers and parallel importers in Singapore has been negatively impacted by the increasing demand for EV from China. Brands like Honda and Toyota, which were once popular in the ICE segment of the parallel import market, have experienced a significant drop in demand in Singapore, as consumers increasingly prefer the higher technology and specifications offered by Chinese EV.

FUTURE AND OUTLOOK

Currently, the Group had suspended the trading of motor vehicle business in Singapore due to its low gross profit margin. Going forward, the Group will focus on the supply of motor vehicle parts products and installation services to customers based in Singapore. The Group intends to further provide installation services for electronic accessories to customers. The Group will also explore to provide more technical and administrative of pre-inspection centre services for our customers.

Given the uncertain global economy, the Group anticipates ongoing challenges that may impact its business and financial performance in the future.

To address these challenges, the Group's management will continue to implement appropriate business strategies. This includes exercising effective cost control measures, upholding quality service to customers, and maintaining good relationships with key suppliers. These strategies aim to strengthen the Group's market position as the leading supplier in Singapore.

Considering the industry outlook, the Group recognizes the importance of resilience and adaptability. It will closely monitor market trends and consumer preferences to identify emerging opportunities. By staying proactive and responsive to changes, the Group aims to navigate the evolving business landscape and maintain its competitiveness.

Overall, the Group remains committed to its strategic objectives, focusing on enhancing operational efficiency, delivering exceptional customer service, and sustaining strong partnerships. By doing so, it aims to mitigate risks, capitalize on opportunities, and achieve long-term success in the industry.

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

In S$ ('000)	For the year ended 31 December 2024	2023	Change
Revenue	**2,831**	9,071	-68.8%
Gross profit	**933**	420	122.1%
Gross profit margin	**32.9%**	4.6%	615.2%
Loss for the year	**(2,630)**	(10,582)	-75.1%

Revenue

The total revenue of the Group for the Current Year was approximately S$2,831,000 as compared to approximately S$9,071,000 for the Corresponding Year, representing a decrease of approximately 68.8%. Such decrease was attributable to the decrease in the sales of automotive parts and motor vehicles of approximately 96.5%. As explained in section headed Business Review on page 5 of this Annual Report, the decline in motor vehicle sales is primarily attributed to the suspension of motor vehicle trading business as there were reduced demand for ICE compared to EV from China.

Gross profit

The Group's gross profit increased from approximately S$420,000 for the Corresponding Year to approximately S$933,000 for the Current Year, representing an increase of approximately 122.1% in the Current Year. This increase in gross profit was mainly attributed to the increase in the Group's gross profit margin by approximately 615.2%, from 4.6% in the Corresponding Year to 32.9% in the Current Year. Such increase was mainly due to the change in the product mix, attributable to (i) the Group's increment in sales and installation of electronic accessories which entailed higher profit margin; and (ii) the decrease in sales of automotive parts and motor vehicles which entailed lower profit margin.

Other income, gains and losses, net

Other income, gains and losses, net of the Group increased by approximately S$128,000 from approximately S$603,000 for the Corresponding Year to approximately S$731,000 for the Current Year. Other income, gains and losses, net mainly represent foreign exchange changes resulting from the settlement of foreign currency transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies and fair value gain on investment properties. The increase in fair value gain on investment due to overall growth in rental income and market demand for properties in Singapore.

Selling and distribution expenses

Selling and distribution expenses decreased by approximately S$23,000 from approximately S$505,000 for the Corresponding Year to approximately S$482,000 for the Current Year. The decrease of the costs was mainly attributable to the decrease in travelling expenses.

Administrative expenses

Administrative expenses decreased by approximately S$758,000 from approximately S$4,622,000 for the Corresponding Year to S$3,864,000 for the Current Year. The decrease of administrative expenses was mainly due to the decrease in employee benefit costs, legal and professional fees and travelling expenses.

Loss for the year

The loss of the Group was approximately S$2,630,000 for the Current Year, as compared to the loss of approximately S$10,582,000 for the Corresponding year.

The decrease in net loss was mainly attributable to the following reasons:

(i) the decrease in employee benefits costs from approximately S$4.6 million in the Corresponding Year to around S$4.0 million in the Current Year, due to the decrease in the directors' fee and year end bonus to the management of a subsidiary in the Current Year;

(ii) the recognition of the impairment of investments in associates of approximately S$6.4 million in the Corresponding Year in relation to the acquisition of 49% equity interest in Ocean Dragon Group Limited (together with its subsidiary, the "Ocean Dragon Group") in 2022. Based on the assessment of the Board, the Board considers that the Group is unlikely to recover any value from the Ocean Dragon Group as the Company could not access to its substances, hence the investments in the Ocean Dragon Group were fully impaired in 2023. For details, please refer to the announcements of the Company dated 24 April 2023, 12 May 2023 and 7 June 2023; and

(iii) the increase in gross profit from approximately S$420,000 for the Corresponding Year to approximately S$933,000 for the Current Year.

QUALIFIED OPINION OF THE COMPANY

Details of the qualified opinion and the management's view on the qualified opinion

As disclosed in note 19 to the consolidated financial statements, as at 31 December 2023 and 31 December 2024, the Group had a 49% equity interest in Ocean Dragon Group with the investment cost of $6,421,491 which is mainly engaged in the provision of electric charging solutions and was accounted for as associates under the equity method since its acquisition. Due to lack of sufficient books and records of the Ocean Dragon Group to account for the share of results and also to assess the impairment of its investments in Ocean Dragon Group and the Company's concerns over the genuineness of the acquisition of the Ocean Dragon Group in prior years, the Group recognised a loss of $6,421,491 to fully write down the Group's investments in the Ocean Dragon Group which was recorded separately in an item in the consolidated statement of profit or loss and other comprehensive income for the year ended 31 December 2023.

Given the above circumstances on scope limitation, the predecessor independent auditor in its report dated 28 March 2024 stated that they were unable to obtain sufficient appropriate audit evidence in respect of the financial information of Ocean Dragon Group as a set of complete and accurate books and records were not available to them for audit purpose. As a result, they were unable to carry out necessary audit procedures to determine whether the impairment of investments in Ocean Dragon Group of $6,421,491 and share of nil result of associates for the year ended 31 December 2023, the Group's investments in Ocean Dragon Group at nil as at 31 December 2023 and the related disclosures notes in relation to the consolidated financial statements of the Group, have been accurately recorded and properly accounted for in the consolidated financial statements as of and for the year ended 31 December 2023. There were no other satisfactory audit procedures that they could perform to determine whether any adjustments were necessary or might have a consequential effect of the Group's consolidated statement of profit or loss and other comprehensive income, the consolidated statement of financial position, the consolidated statement of changes in equity, and related disclosures thereof for the year ended 31 December 2023.

In view of such circumstances, nether the directors of the Company nor SFAI (HK) CPA Limited ("SFAI"), the auditors of the Company, were able to access sufficient books and records of the Ocean Dragon Group and the financial information which are available and were retained by the Company were not found to be of a sufficient level for the purposes of audit and thus, the auditors of the Company were unable to obtain sufficient appropriate audit evidence to determine whether the share of nil result of associates for the year ended 31 December 2024 and the Group's investments in Ocean Dragon Group at nil as at 31 December 2024 were fairly stated and properly reflected, and the related disclosures notes thereof, and also nil impairment loss on the Group's investments in Ocean Dragon Group was properly charged or credited to the profit or loss for the year ended 31 December 2024 respectively, have been accurately recorded and properly accounted for which were included in the consolidated financial statements of the Company as of and for the year ended 31 December 2024 and as of 1 January 2024. There were no other satisfactory audit procedures that we could perform to determine whether any adjustments were necessary or might have a consequential effect of the Group's consolidated statement of profit or loss and other comprehensive income, the consolidated statement of financial position, the consolidated statement of changes in equity, and related disclosures thereof for the year ended 31 December 2024.

In SFAI's opinion, except for the possible effects of the matter described in the *Basis for Qualified Opinion section* of their report, 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 International Financial Reporting Standards (the "IFRSs") issued by the International Accounting Standards Board (the "IASB") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

As a result, with respect to the type of audit opinion issued by SFAI, the management of the Company (the "Management") acknowledged and agreed with the audit opinion that SFAI had issued based on their professional and independent assessment.

The management's position and basis on major judgmental areas

Management has carefully assessed the impairment of the Ocean Dragon Group and concluded that a full impairment of the investment is appropriate on the basis that (i) the Company engaged Central Business Information Limited to conduct a due diligence review, the results of which indicated that Hua Bright International Limited ("Hua Bright"), the operating subsidiary of the Ocean Dragon Group, is a shell company with no actual business or operations; (ii) despite extensive efforts, the Company has been unable to obtain the books, records, or operational evidence necessary to conduct a proper valuation assessment of the Ocean Dragon Group; and (iii) based on these findings, the likelihood of recovering the HK$35 million investment is remote. Therefore, the management concluded that a full impairment of the investment was warranted. While management believes the conclusion is appropriate based on the information available, the auditors, in forming their opinion for the year ended 31 December 2024, emphasized the need for formal evidence to support the management's representation that the Ocean Dragon Group had no value as of 31 December 2024.

To address this, the Directors have filed a creditor's bankruptcy petition against the vendor, Mr. Tsang Kin Yip ("Mr. Tsang") on 6 March 2025 on the basis that Mr. Tsang failed to fulfil the obligation under the profit guarantee clause under the Sale and Purchase Agreement. After Mr. Tsang gone bankrupt, it will be served as a solid evidence that the Group could not recovery any amount from the Ocean Dragon Group or the profit guarantee clause under the Sale and Purchase Agreement, and served as the audit evidence required for the full impairment.

View of Audit Committee

The Audit Committee concurs with management's position and basis that the investment in Ocean Dragon Group is no longer recoverable and that a full impairment of the investment is appropriate, with such impairment has already been made in the financial statement for the year ended 31 December 2023. The Audit Committee is satisfied that management's conclusion is supported by investigative findings, including indication that Hua Bright is a shell company with no business or operations, and the Company's inability to obtain books, records, or operational evidence from Ocean Dragon Group's management or personnel.

The Audit Committee has critically reviewed the matter in consultation with the auditors. The auditors are of the view that after the completion of the bankruptcy of Mr. Tsang, the vendor in respect of the sale and purchase of the Ocean Dragon Group, will provide the formal evidence required to derecognize the investment. Once Mr. Tsang gone bankrupt, the investment cost will be written off and be derecognized, effectively resolving the underlying issues that led to the qualification and thus removing the qualification.

The Audit Committee supports management's plan to file the creditor's bankruptcy petition to obtain the formal evidence required for derecognition. It also endorses the ongoing legal and investigative efforts to trace the fund flow and hold the relevant parties accountable. While the Audit Committee agrees with management's substantial judgments, it recognizes the importance of addressing the auditors' requirements and remains committed to working with both management and the auditors to resolve this audit issue promptly and in compliance with regulatory standards.

Action plan of the Group to address the qualified opinion

The Company is fully committed to resolving this audit issue in the coming financial year and has formulated a comprehensive action plan. The Company has filed a creditor's bankruptcy petition against the vendor, Mr. Tsang on 6 March 2025. This action is expected to provide formal evidence required to confirm the nil value of Ocean Dragon Group and derecognize the investment.

The Company will also maintain proactive communication with the auditors to ensure any additional requirements are identified and addressed promptly.

PRINCIPAL RISKS AND UNCERTAINTIES AND RISK MANAGEMENT

The Group is subject to a number of risks in the Group's business and the Group believes that risk management is important to the Group's success. Key business risks include, among others, the decrease or loss of business with our largest customer, maintaining of our reputation and customer services, stable supply of technicians and foreign workers for our services, reliance on suppliers for the PV leather upholstery, electronic accessories, automotive parts and motor vehicles, and single market business strategy. Our revenue substantially derived from sales to our largest customer and any decrease or loss of business with any Singapore subsidiaries of the largest customer and failure to maintain reputation and customer services could materially and adversely affect our business, financial conditions and results of operations. We also highly rely on a single market in developing our business and our business may be materially affected by the limitation on COE availability.

CAPITAL STRUCTURE, LIQUIDITY AND FINANCIAL RESOURCES

The capital of the Group comprises ordinary shares only.

As at 31 December 2024, the Group had net current assets of approximately S$5,288,000 (2023: approximately S$8,127,000) including cash and cash equivalents of approximately S$4,929,000 (2023: approximately S$8,317,000). The current ratio, being the ratio of current assets to current liabilities, was approximately 9.9 times as at 31 December 2024 (2023: 6.9 times). The increase in the current ratio was mainly due to lower balances of trade and other payables and the decrease of lease liabilities as at 31 December 2024 compared to 31 December 2023.

The Group's operations were financed principally by revenues generated from business operations and available cash and bank balances. The Group did not have any debt as at 31 December 2024 (2023: NIL). There was no borrowing cost incurred during the Current Year (2023: NIL), hence no gearing ratio of the Group was presented.

TREASURY POLICIES

The Directors will continue to follow a prudent policy in managing the Group's cash and cash equivalents and maintain a strong and healthy liquidity position to ensure that the Group is well placed to take advantage of future growth opportunities.

EMPLOYEE INFORMATION

As at 31 December 2024, the Group had 45 employees (2023: 46), comprising of 2 executive Directors (2023: 2), 1 non-executive Director (2023: 4), 3 independent non-executive Directors (2023: 3), 12 administrative employees (2023: 12) and 27 technicians (2023: 25).

Our employees are remunerated according to their job scope and responsibilities. For our technicians in passenger vehicle leather upholstery and accessories business, we offer incentives in addition to their salary. We offer bonuses for all employees, provided their performance is satisfactory. We also believe in promoting internally as this promotes employee satisfaction and enables us to improve service quality to our customers and enjoy a low employee turnover rate. We review the performance of our employees on a regular basis for salary and promotion appraisals.

Total staff costs, including directors' emolument, amounted to approximately S$3,962,000 for the year ended 31 December 2024 (2023: approximately S$4,612,000).

EMPLOYEE BENEFITS

Defined contribution plans

Defined contribution plans are post-employment benefit plans under which the Group pays fixed contributions into separate entities such as the Central Provident Fund ("CPF") in Singapore, on a mandatory, contractual or voluntary basis, and will have no legal or constructive obligation to pay further contributions if any of the funds do not hold sufficient assets to pay all employee benefits relating to employee services in the current and preceding financial years. The Group's contributions to defined contribution plans are recognised in the financial year to which they relate.

The total contributions to defined contribution plans made by the Group amounted to approximately S$157,000 for the Current Year (2023: approximately S$68,000).

The Group's contributions to the defined contribution plans vest fully and immediately with the employees. During the Current year and Corresponding Year, there were neither contribution forfeited by the Group nor had there been any utilisation of such forfeited contributions to reduce future contributions. As at 31 December 2024 and 2023, there were no forfeited contributions which were available for utilisation by the Group to reduce the existing level of contributions to the defined contribution plans.

MATERIAL ACQUISITIONS OR DISPOSALS OF SUBSIDIARIES AND AFFILIATED COMPANIES

There was no material acquisition or disposal of subsidiaries and affiliated companies during the Current Year. As at the date of this report, the Group have no specific future plan for material investments or capital assets, as well as material acquisitions or disposals of subsidiaries, associates and joint ventures.

MANAGEMENT DISCUSSION AND ANALYSIS

IMMEDIATE AND ULTIMATE CONTROLLING PARTY

As at 31 December 2024, the directors consider the immediate parent of the Company to be Billion Legend Company Limited ("Billion Legend"), which is a limited liability company incorporated in the British Virgin Islands. This entity does not produce financial statements available for public use. On 20 March 2024, the entire issued share capital of Billion Legend was transferred to Mr. Lu Yongde.

As at 31 December 2024, the ultimate controlling party of the Company was Mr. Lu Yongde.

CHARGES ON THE GROUP'S ASSETS

As at 31 December 2024, leasehold properties with carrying values totalling approximately S$332,000 (2023: S$375,000) were pledged to secure the Group's unutilized banking facilities.

FOREIGN EXCHANGE EXPOSURE

The turnover and business costs of the Group were principally denominated in Singapore dollars. The Group has exposure to foreign exchange risk as a result of purchases that are denominated in currencies other than Singapore Dollar ("S$") and recognised assets and liabilities denominated in currencies other than S$. The foreign currencies giving rise to this risk are primarily the Hong Kong Dollar ("HK$") and the United States Dollar ("US$"). As at 31 December 2024, if the foreign currencies had weakened or strengthened by 10% against the S$ with all other variables held constant, post-tax loss for the Current Year would have been S$315,000 (2023: S$347,000) lower/higher, as a result of foreign exchange losses/gains on translation of HK$ denominated cash and bank balances (2023: foreign exchange losses/gains on translation of HK$ denominated cash and bank balances). The Group will closely monitor the situation and take certain measures when necessary to ensure that the foreign exchange risk is within the controllable range. During the Current Year, the Group did not use any financial instruments for hedging purposes.

SIGNIFICANT INVESTMENTS HELD BY THE GROUP

During the Current Year, there was no significant investments (including any investment in an investee Company) with a value of 5% or more of the Group's total assets held by the Group.

CONTINGENT LIABILITIES

No material contingent liabilities had come to the attention of the Directors in the Current Year.

DIVIDEND

The Board does not recommend the payment of a final dividend for the Current Year (2023: Nil). There is no arrangement under which any shareholder has waived or agreed to waive any dividend.

EVENT AFTER THE REPORTING PERIOD

There was no other significant event relevant to the business or financial performance of the Group came to the attention of the Directors after the Current Year.

DIRECTORS AND SENIOR MANAGEMENT

EXECUTIVE DIRECTORS

Mr. Lu Yongde (盧永德先生) ("Mr. Lu") Mr. Lu, aged 57, was educated in Guangdong University of Technology and studied in Industrial and Building engineering. Mr. Lu received Qualification Certificate of Senior Professional Rank (Senior Engineer) (高級專業技術職務(高級工程師)任職資格) in 2008.

Mr. Lu has over 30 years management and construction experience in project investment and development, restructuring of distressed assets and debts, equity investment, property project management, e-commerce and big-health industry. He was the executive director and chairman of the board of directors of ACR Asian Capital Resources (Holdings) Limited, a company incorporated in the Cayman Islands with limited liability, the issued shares of which were listed on GEM of The Stock Exchange of Hong Kong Limited (stock code: 8025) and the listing of the shares of the company was cancelled on 7 August 2023.

Mr. Tsang Chun Ho Anthony (子辰先生) ("Mr. Tsang") (also known as Zichen) Mr. Tsang, aged 40, was appointed as an executive director of the Company on 11 April 2023. Mr. Tsang is currently the managing director of Fuchsia Capital Limited and was previously a fund manager for Emperor Greater China Investment Fund and Orient Investment Fund. Mr. Tsang has been an executive director and a president of Alpha Technology Group Limited, a company listed on Nasdaq (stock code: ATGL) since 1 February 2023. Mr. Tsang was appointed as an executive director of Fullwealth International Holdings Limited, a company listed on the Main Board of The HKEx (stock code: 1034), from 28 May 2023 to 9 February 2024 and an executive director and a member of the investment committee of Carry Wealth Holdings Limited, a company listed on the Main Board of the HKEx (stock code:643) from 1 February 2023 to 15 January 2025. Mr. Tsang has accumulated over 17 years of experience in financial investment, capital operation, corporate governance, strategic planning and mergers and acquisitions. He holds the Honorary Doctor of Business Administration from Lincoln University College and a Master's Degree of Business Administration from Heriot-Watt University Edinburgh Business School. Mr. Tsang has been accredited with the "Forbes Outstanding Leader Award" and the "World Outstanding Chinese Award" in 2022.

NON-EXECUTIVE DIRECTOR

Mr. Choi Tan Yee (蔡丹義先生) ("Mr. Choi") Mr. Choi, aged 41, was appointed as a non-executive director of the Company on 11 April 2023. Mr. Choi is currently a responsible officer for Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO for Rainbow Capital (HK) Limited, where he is responsible for supervising and leading execution of corporate finance projects. Mr. Choi has over 16 years of experience in corporate finance, accounting and auditing. Since February 2023, he has been an executive director, a member of the investment committee and an authorized representative of Carry Wealth Holdings Limited, a company listed on Main Board of the HKEx (stock code: 643) and an executive director and a chief financial officer of Alpha Technology Group Limited, a company listed on Nasdaq (stock code: ATGL). Mr. Choi was appointed as a non-executive director of Fullwealth International Holdings Limited, a company listed on the Main Board of the HKEx (stock code: 1034), from 28 May 2023 to 9 February 2024. Prior to the establishment of Rainbow Capital (HK) Limited in 2019, Mr. Choi worked in China Tonghai Capital Limited (formerly known as "Quam Capital Limited") between January 2015 and December 2019 with the last position as director. Between December 2009 and December 2014, Mr. Choi worked in Somerley Capital Limited with the last position as senior manager. He handled various initial public offerings, merger and acquisition transactions and fund-raising exercises. Mr. Choi also worked in the audit division of Grant Thornton from 2006 to 2009. Mr. Choi graduated from The Chinese University of Hong Kong with a bachelor's degree of business administration in December 2005

* *For identification purpose only*

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Cheng Wai Hei (鄭偉禧先生) ("Mr. Cheng"), aged 44, was appointed as an independent non-executive director of the Company on 17 May 2023. Mr. Cheng is the chairman of the Audit Committee, the Remuneration Committee and the Nomination Committee. Mr. Cheng obtained his bachelor's degree of arts in accounting and finance from the Leeds Metropolitan University (currently known as Leeds Beckett University) in the United Kingdom in May 2005. He obtained his master's degree of business administration from The Hong Kong Polytechnic University in September 2017. He has been a fellow of the Association of Chartered Certified Accountants since October 2011. He was admitted to Graduateship of The Institute of Chartered Secretaries and Administrators (currently known as The Chartered Governance Institute) in February 2013 and has been an associate of The Hong Kong Institute of Chartered Secretaries (currently known as The Hong Kong Chartered Governance Institute) since May 2013.

Mr. Cheng has over 16 years of audit, financial management and company secretarial experience. He joined Shu Lun Pan Horwath Hong Kong CPA Limited as a semi-senior in the audit and assurance division in October 2006, and was transferred to BDO Limited due to a corporate merger in May 2009 with his last position as a senior associate in July 2010. He joined Inno-Tech Holdings Limited, a company listed on GEM of the HKEx (stock code: 8202), as a financial manager in July 2010 and was promoted to a financial controller. He also acted as the company secretary of Inno-Tech Holdings Limited from May 2013 to August 2014 and from July 2015 to November 2015. He joined Win Win Way Construction Holdings Ltd. (currently known as CT Vision S.L. (International) Holdings Limited), a company listed on the Main Board of the HKEx (stock code: 994), as chief financial officer in November 2015 and also acted as its company secretary since May 2016, where he was responsible for the financial and secretarial matters of the company until July 2019. He acted as the company secretary of Chi Kan Holdings Limited, a company listed on the Main Board of the HKEx (stock code: 9913), from August 2020 to November 2021, where he was responsible for the secretarial matters of the company. He joined Zhicheng Technology Group Ltd. (currently known as Min Fu International Holding Limited), a company listed on GEM of the HKEx (stock code: 8511), as financial controller in December 2021 and also acted as company secretary since January 2022, where he was responsible for the financial and secretarial matters of the company. Mr. Cheng is currently an independent non-executive director of Carry Wealth Holdings Limited, a company listed on the Main Board of the HKEx (stock code: 643), and an independent non-executive director of Alpha Technology Group Limited, a company listed on Nasdaq (stock code: ATGL). Mr. Cheng was appointed as an independent non-executive director of Fullwealth International Holdings Limited, a company listed on the Main Board of the HKEx (stock code: 1034) from 22 May 2023 to 14 March 2024.

DIRECTORS AND SENIOR MANAGEMENT

Mr. Lam Chi Wing (林至頴先生) ("Mr. Lam"), aged 45, was appointed as an independent non-executive director of the Company on 2 January 2024. Mr. Lam is a member of each of the Audit Committee, the Remuneration Committee and the Nomination Committee. Mr. Lam obtained a bachelor of business administration in accounting and finance degree from The University of Hong Kong in December 2003, a master of science in knowledge management degree from The Hong Kong Polytechnic University in December 2006 and a master of business administration degree from The Chinese University of Hong Kong in December 2010. He is currently a postgraduate of the Executive Master in Public Administration Hong Kong Administrative Talents Program conducted by the School of Public Policy & Management at Tsinghua University. Mr. Lam joined Li & Fung Group in September 2003, where he served as the group chief representative and general manager of Southern China of Li & Fung Development (China) Limited prior to his departure in July 2015. From June 2020 to December 2020, he was an executive director of Bonjour Holdings Limited. Mr. Lam has been a deputy to the 14th National People's Congress (第十四屆全國人大代表), a member of each of the 12th and 13th Guangdong Provincial Committee of the Chinese People's Political Consultative Conference (中國人民政治協商會議第十二屆及第十三屆廣東省委員會) and a member of each of the 11th and 12th Zhongshan Municipal Committee of the Chinese People's Political Consultative Conference (中國人民政治協商會議第十一屆及第十二屆中山市委員會). Mr. Lam is currently a vice-chairman of each of the Hong Kong Guangdong Youth Association (香港廣東青年總會), the council of the Guangdong Society of Commercial Economy (廣東省商業經濟學會理事會), the Council for the Promotion of Guangdong-HongKong-Macao Cooperation (廣東省粵港澳合作促進會) and the Federation of Hong Kong ZhongShan Community Organisations Limited (香港中山社團總會). He is also currently an adjunct associate professor of the department of information systems, business statistics and operations management of the Business School of The Hong Kong University of Science and Technology, and co-director and an adjunct professor of the Center of Innovation Design and Entrepreneurship of the School of Management and Economics of The Chinese University of Hong Kong, Shenzhen. Mr. Lam served as a part-time member of the Central Policy Unit of the Government of the Hong Kong Special Administrative Region from 2011 to 2012. Mr. Lam served as an executive director of Bonjour Holdings Limited (stock code: 653) from July 2020 to December 2020, an independent non-executive director of Aidigong Maternal & Child Health Limited (stock code: 286) from March 2016 to December 2022 and from October 2023 to February 2025, and an independent non-executive director of Wai Hung Group Holdings Limited (stock code: 3321) from March 2019 to September 2024), the shares of all of which are listed on the Main Board of the Stock Exchange. Mr. Lam is currently an independent non-executive director of each of Alco Holdings Limited (stock code: 328), MTT Group Holdings Limited (stock code: 2350), Space Group Holdings Limited (stock code: 2448), China Wantian Holdings Limited (stock code: 1854), RENHENG Enterprise Holdings Limited (stock code: 3628) and TOMO Holdings Limited (stock code: 6928), and Non-executive Director and Chairman of Dreameast Group Limited (stock code: 593), the shares of all of which are listed on the Main Board of the Stock Exchange.

Ms. Li Jiayao (李佳瑤女士) ("Ms. Li"), aged 38, was appointed as an independent non-executive director of the Company on 6 June 2024. Ms. Li is a member of each of the Audit Committee, the Remuneration Committee and the Nomination Committee. Ms. Li obtained a Bachelor of Business Administration from Communication University of China in January 2021. Ms. Li has over 15 years of experience in largescale enterprise management. She worked as an assistant to the president of China New Housing Group Co., Ltd.* (中國新型房屋集團有限公司) for the period between September 2016 to March 2020 and worked as an executive vice president of China National Building Materials Huajian Group Co., Ltd* (中新房華建集團有限公司) for the period between March 2020 to May 2024.

* *For identification purpose only*

COMPANY SECRETARY

Ms. Lam Wai (林慧女士) ("Ms. Lam") was appointed as the Company's company secretary on 19 May 2023. She is a partner of HL Lawyers. Ms. Lam is currently a company secretary of Carry Wealth Holdings Limited (stock code: 643), the shares of which are listed on the Main Board of the HKEx. From June 2014 to December 2015 and from July 2016 to December 2021 respectively, she worked as a lawyer at Hastings & Co. with the last position as senior associate. Ms. Lam obtained a Bachelor's degree in Social Sciences from the University of Hong Kong in 2005 and a Bachelor's degree in Law (Honours) from the University of London in 2009. She was admitted as a solicitor of the High Court of Hong Kong in 2014 and is currently a member of the Law Society of Hong Kong. Ms. Lam obtained her Lawyer's Licence (Guangdong-Hong Kong-Macao Greater Bay Area) issued by the Department of Justice of the Guangdong Province in January 2023.

Other than the working relationships in the Company, there was no other relationship between any of the Directors or senior management of the Company in respect of finance, business and family or in other material aspects.

CORPORATE GOVERNANCE REPORT

CORPORATE GOVERNANCE PRACTICES

The Board is responsible for overseeing and managing the overall risks associated with the business of the Group and promoting the success of the group by the direction and supervision of the Group's business and affairs. The Board is also responsible for formulating the overall strategies and day to day management of the Group by delegating to the management team with appropriate authority and responsibility.

The Company has adopted the Corporate Governance Code (the "CG Code") as set out in Appendix C1 to the Rules Governing the Listing of Securities on the Main Board of the HKEx (the "Listing Rules"). Save as disclosed in this report, the Directors consider that during the Current Year, the Company had complied with all the code provisions (the "Code Provision") as set under the CG Code. During the year ended 31 December 2024, the Company had not complied with Code C.2.1. According 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. Following the removal of Ms. Ma Xiaoqiu as executive Director on 19 March 2024, Ms. Ma Xiaoqiu has ceased to be the chairlady of the Board with effect from the same date. The Company had not appointed any individual to take up the post of the Chairman and role and functions of Chairman have been performed by Mr. Tsang Chun Ho Anthony, an executive Director until the appointment of Mr. Lu Yongde as the Chairman on 22 July 2024. Up to the date of this report, the Company has not appointed a chief executive officer and role and functions of chief executive officer have been performed by Mr. Tsang Chun Ho Anthony, an executive Director. The Board believes that this arrangement enables the Company to make and implement decisions promptly, given that (i) any decision to be made by the Board requires approval by at least a majority of the Directors and as the Board comprises three independent non-executive Directors out of six Directors, the Company believes that there is sufficient check and balance in the Board; (ii) all the Directors are aware of and undertake to fulfill their fiduciary duties as Directors, which require, among other things, that they act for the benefit and in the best interests of the Company and Shareholders and will make decisions for our Group accordingly; and (iii) the balance of power and authority is ensured by the operations of our Board which comprises experienced and high calibre individuals who meet regularly to discuss issues affecting the operations of the Company, and thus achieve the Company's objectives effectively and efficiently in response to the changing environment. The Board will continuously assess whether any changes are necessary.

A healthy corporate culture across the Group is integral to attain its vision and strategy. It is the Board's role to foster a corporate culture with the following core principles and to ensure that the Company's vision, values and business strategies are aligned to it.

The Group strives to maintain high standards of business ethics and corporate governance across all our activities and operations. The Directors, management and staff are all required to act lawfully, ethically and responsibly, and the required standards and norms are explicitly set out in the training materials for all new staff and embedded in various policies such as the Group's staff handbook (including therein the guiding provisions on the code of conduct), the anti-corruption policy and the whistleblowing policy of the Group. The Group requires all employees to familiarize themselves with the policies, ensuring that each employee understands the importance in maintaining the highest ethical standard.

The Group believes that the culture of commitment to workforce development, workplace safety and health, diversity, and sustainability is one where people have a feeling of commitment and emotional engagement with the Group's mission. This sets the tone for a strong, productive workforce that attracts, develops, and retains the best talent to produce the highest quality output. Moreover, the Company's strategy in the business development and management are to achieve long-term, steady and sustainable growth, while having due considerations from environment, social and governance aspects.

COMPLIANCE OF CODE OF CONDUCT FOR DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted a code of conduct regarding securities transactions by directors on terms no less exacting than the required standard of dealings set out in the Model Code for Securities transactions by Directors of listed Issuers as set out in Appendix C3 to the Listing Rules. Having made specific enquiry of all the current Directors, all the current Directors confirmed that they had complied with the required standard of dealings and the code of conduct regarding securities transactions by directors adopted by the Company throughout the year ended 31 December 2024.

BOARD OF DIRECTORS

Responsibilities, Accountabilities and Contributions of the Board and Management

The Board should assume responsibility for leadership and control of the Company and is collectively responsible for directing and supervising the Company's affairs. The Board directly, and indirectly through its committees, leads and provides direction to the management by laying down strategies and overseeing their implementation, monitors the Group's operational and financial performance, and ensures that sound internal control and risk management systems are in place.

All Directors, including independent non-executive Directors, have brought a wide spectrum of valuable business experience, knowledge and professionalism to the Board for its efficient and effective functioning.

Board Composition

The composition of the Board for the year ended 31 December 2024 and up to the date of this report were:

Executive Directors:

Mr. Lu Yongde *(Chairman)* (appointed on 22 July 2024)
Mr. Tsang Chun Ho Anthony
Ms. Ma Xiaoqiu *(Chairlady)* (removed on 19 March 2024)

Non-executive Directors:

Mr. Choi Tan Yee
Ms. Liu Xinyi (removed on 19 March 2024)
Ms. Chen Jun (removed on 19 March 2024)
Ms. Lyu Qiujia (removed on 19 March 2024)

Independent non-executive Directors:

Mr. Cheng Wai Hei
Mr. Lam Chi Wing (appointed on 2 January 2024)
Ms. Li Jiayao (appointed on 6 June 2024)
Mr. Jin Lailin (removed on 19 March 2024)
Mr. Peng Peng (resigned on 2 January 2024)

As at the date of this report, to the best knowledge of the Company, there has been no financial, business, family, or other material/relevant relationships among members of the Board. Mr. Lu Yongde, Mr. Lam Chi Wing and Ms. Li Jiayao confirmed that they (i) obtained the legal opinion referred to in Rule 3.09D of the Listing Rules, and (ii) understood their responsibilities as directors of listed issuers under the Listing Rules.

CORPORATE GOVERNANCE REPORT

Save as disclosed herein, the Board had complied with the Rule 3.10, Rule 3.10A and Rule 3.21 of the Listing Rules to have at least three independent non-executive Directors and at least one independent non-executive Director has appropriate professional qualifications or accounting or related financial management expertise throughout the year ended 31 December 2024. On 19 March 2024, Ms. Ma Xiaoqiu, Ms. Liu Xinyi, Ms. Chen Jun, Ms. Lyu Qiujia were removed as Directors. Following such removal, the Company has a single gender board which does not meet the requirement under Rule 13.92 of the Listing Rules. Following the removal of Mr. Jin Lailin as Director on 19 March 2024, the Company has (i) two independent non-executive Directors, which results in the number of independent non-executive directors falling below the minimum number required under Rule 3.10(1) of the Listing Rules and one third of the Board as required under Rule 3.10A of Listing Rules; and (ii) two members of the Audit Committee, which results in the number of the Audit Committee falling below the minimum number required under Rule 3.21 of the Listing Rules. The Company has on 6 June 2024 appointed Ms. Li Jiayao as an independent non-executive Director and a member of each of the Audit Committee, the Remuneration Committee and the Nomination Committee. Following such appointment, the Company has re-complied with the requirements of Rule 3.10(1), Rule 3.10A, Rule 3.21 and Rule 13.92 of the Listing Rules.

Each of the current independent non-executive Directors has made an annual confirmation of independence pursuant to Rule 3.13 of the Listing Rules. The Board considers that all current independent non-executive Directors to be independent to the Company and meet the requirements set out in Rules 3.13 of the Listing Rules at the date of this report.

The Company has arranged appropriate insurance cover in respect of legal action against the Directors.

Each executive Director has entered into a service contract with the Company for an initial term of three (3) years commencing from their respective date of appointment and shall continue thereafter unless and until it is terminated by the Company or the Director giving to the other not less than three months' prior notice in writing.

The non-executive Director has entered into a service contract with the Company for an initial term of three (3) years commencing from their respective date of appointment and shall continue thereafter unless and until it is terminated by the Company or the Director giving to the other not less than three months' prior notice in writing.

Each of the current independent non-executive Director has entered into a letter of appointment with the Company for an initial term of three (3) years commencing from their respective date of appointment and shall continue thereafter unless terminated by the Company or the Director giving at least one month's notice in writing.

At each annual general meeting, one-third of the Directors for the time being (or if their number is not a multiple of three, then the number nearest to but not less than one-third) shall retire from office by rotation provided that every Director shall be subject to retirement at an annual general meeting at least once every three years. The Directors so to retire by rotation shall include any Director who wishes to retire and not offer himself for re-election. Any further Directors so to retire shall be those who have been longest in office since their last re-election or appointment but as between persons who became or were last re-elected Directors on the same day those to retire will (unless they otherwise agree among themselves) be determined by lot.

Each of the Directors is aware of his or her fiduciary duties as a Director which require, among other things, that he/she acts for the benefit of and in the best interests of the Company and does not allow any conflict between his or her duties as a Director and his or her personal interest. In the event that there is a potential conflict of interest arising out of any transaction to be entered into between the Group and the Directors or their respective close associates, the interested Director(s) will abstain from voting at the relevant Board meetings of the Company in respect of such transactions and will not be counted in the quorum.

To enable the Board to fulfil its responsibilities, the Management strives to provide Board members with adequate and timely information for Board and Board Committee meetings on an on-going basis. The Board and Board Committee papers are prepared for each meeting and are disseminated to the members at least 3 days before the meetings. The Board and Board committee papers include financial, business and corporate matters of the Group so as to enable the Directors to be properly briefed on matters to be considered at the Board and Board committee meetings and to make informed decisions. Directors are given separate and independent access to the Group's Management and company secretary to address any enquiries.

The Board adopted a board diversity policy (the "Board Diversity Policy") and discussed all measurable objectives set for implementing the Board Diversity Policy. The Company embraced the benefits of having a diverse Board, as such, the Board Diversity Policy aimed to set out the approach to maintain diversity of the Board. A summary of the Board Diversity Policy, together with the measurable objectives set for implementing the Board Diversity Policy, and the progress made towards achieving those objectives are disclosed as below.

The Company recognises and embraces the benefits of diversity of Board members. It endeavours to ensure that the Board has a balance of skills, experience and diversity of perspectives appropriate to the requirements of the Company's business. All Board appointments will continue to be made on a merit basis with due regard for the benefits of diversity of the Board members. Selection of candidates will be based on a range of diversity perspectives, including but not limited to gender, age, race, language, cultural background, educational background, industry experience and professional experience.

The Nomination Committee will disclose the composition of the Board annually in the corporate governance report and monitor the implementation of this Policy.

The Company values gender diversity across all levels of the Group. The following table sets out the gender ratio in the workforce of the Group as at the date of this Annual Report:

	Female (approximately)	**Male** (approximately)
Board	17%	83%
Other employees	26%	74%

As at 31 December 2024, the Board comprises 1 female director and 5 male directors and the Board considers have achieved gender diversity on the Board.

The Nomination Committee will continue to ensure gender diversity is attained the Board level by strictly adhering to the Board Diversity Policy and ensure a robust pipeline of male and female successors to our Board in the near future.

CORPORATE GOVERNANCE REPORT

Gender Diversity

The Company values gender diversity across all levels of the Group. The following table sets out the gender ratio in the workforce of the Group, including the Board and senior management as at 31 December 2024:

	Female	**Male**
Board	17% (1)	83% (5)
Other employees	26% (10)	74% (29)

The Board believes that the gender diversity of female directors and female employees of the Group is reasonable and appropriate. The Group will continue to create a workplace environment with equal employment opportunities for female.

Details on the gender ratio of the Group together with relevant data can be found in the Environmental, Social and Governance Report on page 53 of this Annual Report.

Directors' Attendance Records

During the year ended 31 December 2024, the Board held six Board meetings, among other things, reviewing and approving the financial and operating performance, and reviewing and approving the interim and annual results of the Group, and one general meeting.

The attendance records of each Director at the Board meetings for the year ended 31 December 2024 are set out below:

Name of Director	**Attended in person/ Number of Board meetings held**	**Attendance/ Number of general meeting held**
Executive Directors		
Mr. Lu Yongde	1/6	0/2
Mr. Tsang Chun Ho Anthony	6/6	2/2
Ms. Ma Xiaoqiu *(Chairlady)* (removed on 19 March 2024)	0/6	0/2
Non-executive Directors		
Mr. Choi Tan Yee	5/6	2/2
Ms. Liu Xinyi (removed on 19 March 2024)	1/6	0/2
Ms. Chen Jun (removed on 19 March 2024)	0/6	0/2
Ms. Lyu Qiujia (removed on 19 March 2024)	6/6	0/2
Independent non-executive Directors		
Mr. Cheng Wai Hei	5/6	2/2
Mr. Lam Chi Wing (appointed on 2 January 2024)	5/6	1/2
Ms. Li Jiayao (appointed on 6 June 2024)	2/6	1/2
Mr. Jin Lailin (removed on 19 March 2024)	1/6	0/2
Mr. Peng Peng (resigned on 2 January 2024)	0/6	0/2

There is no alternate director.

The Chairman also held a meeting with the independent non-executive Directors without the presence of other Directors during the year ended 31 December 2024.

Notice of regular Board meetings is served to all the Directors at least 14 days before the meeting. For other Board and committee meetings, reasonable notice is generally given. Board papers together with all appropriate, complete and reliable information are sent to all the Directors at least 3 days before each Board meeting or committee meeting to enable the Directors to make informed decisions. Each Director is able to seek independent professional advice in appropriate circumstances at the Company's expense, upon making request to the Board.

The company secretary is responsible for taking and keeping minutes of all board meetings and committee meetings. Draft minutes which record in sufficient detail the matters considered and decisions reached, including any concerns raised by Directors or dissenting views expressed are normally circulated to directors for comments within a reasonable time after each meeting and final versions are open for directors' inspection.

Corporate Governance Functions

The Board is responsible for performing the functions set out in the Code Provision A.2.1 of the CG Code. The Board reviewed 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 compliance of the Model Code and written employee guidelines, and the Company's compliance with the CG Code and disclosure in this corporate governance report.

Directors' Training

Pursuant to Code Provision C.1.4 of the CG Code, all the Directors should participate in continuous professional development to develop and refresh their knowledge and skills. This is to ensure that their contribution to the Board remains informed and relevant. The Company has provided information related to the changes in the Listing Rules. The Company will continuously update the Directors on the latest developments to the Listing Rules and other applicable regulatory requirements, to ensure compliance and enhance the Directors' awareness of good governance practice.

BOARD COMMITTEES

The Board has established three committees, namely the audit committee (the "Audit Committee"), remuneration committee (the "Remuneration Committee"), and nomination committee (the "Nomination Committee"). Each committee has its own written terms of reference and is provided sufficient resources and empowered to function within its own terms of reference. The terms of reference of the Audit Committee, the Remuneration Committee and the Nomination Committee can be found on the websites of the HKEx and the Company respectively.

Audit Committee

The Company has established the Audit Committee on 23 June 2017 with written terms of reference in compliance with Code Provision D.3.4. As at the date of this Report, the Audit Committee comprises three independent non-executive Directors, namely Mr. Cheng Wai Hei, Mr. Lam Chi Wing and Ms. Li Jiayao. Mr. Cheng Wai Hei has been appointed as the chairman of the Audit Committee. The primary duties of the Audit Committee are mainly to make recommendations to the Board on the appointment and dismissal of the external auditor, review the financial statements and information and provide advice in respect of financial reporting and oversee the risk management and internal control procedures of the Company and the effectiveness of the issuer's internal audit function.

The Audit Committee held 5 meetings during the year ended 31 December 2024 for the purposes of, among other things, considering and approving the annual financial results for the year ended 31 December 2023, the interim financial results for the six months ended 30 June 2024 and discussion of audit plan for the year ended 31 December 2024 respectively. The details of attendance are set out below:

Audit Committee Members	**Attended in person/ Number of meetings held**
Mr. Cheng Wai Hei	5/5
Mr. Lam Chi Wing (appointed on 2 January 2024)	5/5
Ms. Li Jiayao (appointed on 6 June 2024)	3/5
Mr. Jin Lailin (removed on 19 March 2024)	0/5
Mr. Peng Peng (resigned on 2 January 2024)	0/5

Nomination Committee

The Company has established the Nomination Committee on 23 June 2017. As at the date of this Report, the Nomination Committee comprises three independent non-executive Directors, namely Mr. Cheng Wai Hei, Mr. Lam Chi Wing and Ms. Li Jiayao. The Nomination Committee has written terms of reference in compliance with the CG Code. The primary functions of the Nomination Committee are to review the structure, size and composition (including the skills, knowledge and experience) of the Board at least annually and make recommendations to the Board on any proposed changes to the Board to complement the Company's corporate strategy; identify individuals suitably qualified as potential Board members and select or make recommendations to the Board on the selection of individuals nominated for directorships; assess the independence of the independent non-executive Directors; and make recommendations to the Board on the appointment or reappointment of the Directors and succession planning of Directors, in particular that of the chairman and the chief executive officer.

Where necessary, the Nomination Committee can seek independent professional advice, at the Company's expense, to perform its responsibilities.

The Nomination Committee held 2 meetings during the year ended 31 December 2024 for the purposes of, among others, reviewing the composition of the Board, considering any changes in the Directors and senior management of the Company and the making recommendations to the Board for approval. The details of attendance are set out below:

Nomination Committee Members	**Attended in person/ attended by proxy/ Number of meetings held**
Mr. Cheng Wai Hei	2/2
Mr. Lam Chi Wing (appointed on 2 January 2024)	1/2
Ms. Li Jiayao (appointed on 6 June 2024)	0/2
Ms. Ma Xiaoqiu (removed on 19 March 2024)	0/2
Ms. Liu Xinyi (removed on 19 March 2024)	1/2
Mr. Jin Lailin (removed on 19 March 2024)	1/2
Mr. Peng Peng (resigned on 2 January 2024)	0/2

The director nomination procedures and process: (a) the Nomination Committee shall first review and assess factors relating to the diversity of the Board, including but not limited to professional experience, skill, knowledge and length of service, gender, age, cultural and education background, and give consideration to the candidate's willingness to devote adequate time to the Board and independence of each independent non-executive Directors based on the requirements of the Listing Rules as amended from time to time; (b) the Nomination Committee shall then nominate suitable candidates to the Board based on the then-current and anticipated future leadership needs of the Company, with a view to achieving a sustainable and balanced development of the Company; and (c) the Nomination Committee shall also monitor and review the implementation of the nomination policy, as appropriate from time to time, and will report to the Board annually.

Remuneration Committee

The Company has established the Remuneration Committee on 23 June 2017 with written terms of reference in compliance with Code Provision E.1.3. The Remuneration Committee comprises three independent non-executive Directors, namely Mr. Cheng Wai Hei, Mr. Lam Chi Wing and Ms. Li Jiayao. Mr. Cheng Wai Hei has been appointed as the chairman of the Remuneration Committee. The primary functions of the Remuneration Committee are to make recommendations to the Board on the Company's policy and structure for all directors' and senior management remuneration and on the establishment of a formal and transparent procedure for developing remuneration policy; to review and approve the director's and management's performance-based remuneration proposals with reference to the Board's corporate goals and objectives from time to time; to make recommendations to the Board on the remuneration packages of all individual executive directors and senior management, including benefits in kind, pension rights and compensation payments, including any compensation payable for loss or termination of their office or appointment, and make recommendations to the Board on the remuneration of non-executive directors, assessing performance of executive directors, approving the terms of executive directors' service contracts, and reviewing and/or approving the matters on the share scheme under Chapter 17 of the Listing Rules. The Remuneration Committee should consider factors such as salaries paid by comparable companies, time commitment and responsibilities of the directors, and employment conditions elsewhere in the Group and desirability of performance-based remuneration; and to ensure that no director or any of his associates is involved in deciding his own remuneration.

The Remuneration Committee held 2 meetings during the year ended 31 December 2024 for the purposes of, among others, reviewing the remuneration policy and structure for the Directors and senior management, considering the remuneration package and benefits of the Directors and senior management and making recommendations to the Board for approval and assessing and reviewing performance of the Directors and senior management. The details of attendance are set out below:

Remuneration Committee Members	**Attended in person/ Number of meetings held**
Mr. Cheng Wai Hei	2/2
Mr. Lam Chi Wing (appointed on 2 January 2024)	1/2
Ms. Li Jiayao (appointed on 6 June 2024)	0/2
Ms. Ma Xiaoqiu (removed on 19 March 2024)	0/2
Mr. Jin Lailin (removed on 19 March 2024)	1/2
Mr. Peng Peng (resigned on 2 January 2024)	0/2

ACCOUNTABILITY AND AUDIT

The Board acknowledges its responsibility for on a going concern basis preparing financial statements for each financial year giving a true and fair view of the state of affairs of the Group. The responsibility of the Company's auditor is set out in the section headed "Independent Auditor's Report" of this report.

Risk management and internal control system

The goal of the Group is to identify and manage the risks (including ESG Risks) which are inherent in the Group's business and its operating markets so that the risks can be reduced, mitigated, transferred or avoided.

The Board recognizes its responsibility for maintaining an adequate and sound enterprise risk management and internal control system and through the Audit Committee and, if necessary, an external firm of professional internal control consultant to provide internal control services, conducts reviews on the effectiveness of these systems at least annually, covering material controls, including financial, operational, compliance and strategic risk control functions. The Audit Committee will then report to the Board after properly reviewing the effectiveness of the Group's risk management and internal control systems. The Board considers the works, findings and recommendations of the Audit Committee in forming its own view on the effectiveness of such systems and makes proper responses. The Board understands that such systems are designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable and not absolute assurance against material misstatement or loss.

Deficiencies in the design and implementation of internal controls are identified and recommendations are proposed for improvement. Significant internal control deficiencies are reported to the Audit Committee and the Board of Directors on a timely basis to ensure prompt remediation actions are taken.

Our enterprise risk management framework

The Board has the overall responsibility to ensure that sound and effective internal controls are maintained, management is responsible for designing and implementing an internal control system to manage all kinds of risks faced by the Group.

Through the risk identification and assessment processes, risks are identified, assessed, prioritized and allocated treatments. Our risk management framework follows the COSO Enterprise Risk Management – Integrated Framework, which allows the Board and management to manage the risks of the Group effectively. The Board receives regular reports through the Audit Committee that oversees risk management and internal audit functions.

Our risk control mechanism

The Group adopts a "three-layer" corporate governance structure with operational management and controls performed by operations management, coupled with risk management monitoring carried out by the finance team and independent internal audit outsourced to and conducted by BT Corporate Governance Limited ("BTCGL"). The Group maintains a risk register to keep track of all identified major risks of the Group. The risk register provides the Board, the Audit Committee, and management with a profile of its major risks and records management's action taken to mitigate the relevant risks. Each risk is evaluated at least annually based on its likelihood of occurrence and potential impact upon the Group. The risk register is updated by management as the risk owners with addition of new risks and/or removal of existing risks, if applicable, at least annually, after the annual risk evaluation has been performed. This review process can ensure that the Group proactively manages the risks faced by it in the sense that all risk related parties have access to the risk register and are aware of and alert to those risks in their area of responsibility so that they can take follow-up action in an efficient manner.

Our risk management activities are performed by management on an ongoing process. The effectiveness of our risk management framework will be evaluated at least annually, and periodic management meeting is held to update the progress of risk monitoring efforts. Management is committed to ensuring that risk management forms part of the daily business operation processes in order to align risk management with corporate goals in an effective manner.

Review of effectiveness of the risk management and internal control system

During the year under review, the Board, through the Audit Committee, conducted review of both design and implementation effectiveness of the risk management and internal control systems of the Group, covering all material controls, including financial, operational and compliance controls, with a view to ensuring that resources, staff qualifications and experience, training programs and budget of the Group's accounting, internal audit and financial reporting functions are adequate.

To review the Group's internal control system, the Company appointed BTCGL, an external firm of professional internal control consultants, to assist in identifying and assessing the risks of the Group through a series of interview and testing, and independently perform internal control review and assess effectiveness of the Group's risk management and internal control systems, including the assessment of the effectiveness of the procedures, systems and controls established by Group.

There is currently no internal audit function within the Group. The Directors have reviewed the need for an internal audit function and are of the view that in light of the size, nature and complexity of the business of the Group, it would be more cost effective to appoint external independent professionals to perform internal audit function for the Group in order to meet its needs. Nevertheless, the Directors will continue to review at least annually the need for an internal audit function. Overall, the Board considered the risk management and internal control systems of the Group are effective and adequate.

The Company will continue to engage external independent professionals to review the Group's system of internal controls and risk management annually and further enhance the Group's internal control and risk management systems as appropriate.

Details of the ESG-related risks of the Group are set out in the ESG Report contained in this annual report.

For the year ended 31 December 2024, both the Audit Committee and the Board were not aware of any material internal control defects and were satisfied that the risk management and internal control systems of the Group have been effective and adequate.

INSIDE INFORMATION

With regard to the internal controls and procedures for the handling and dissemination of inside information, the Group is in compliance with provisions under the Part XIVA and relevant parts of the Securities and Future Ordinances and Listing Rules. To be certain that all the staff members of the Group are aware of the inside information handling, the Group's disclosure policy sets out guidance and procedures to ensure that the inside information of the Group is disseminated to the public completely, accurately and timely. Besides, the Board is responsible to approve the dissemination of the information. The Group also has reasonable measures and procedures regarding keeping the sensitive information confidential and ensuring the confidentiality terms are in place in the significant agreements. Other procedures including sending blackout period and securities dealing restrictions notification to the relevant Directors and employees timely, disseminating information to specified persons on a need-to-know basis have also been implemented by the Group against possible mishandling of inside information within the Group.

Company Secretary

In order to uphold good corporate governance and ensure compliance with the Listing Rules and applicable Hong Kong Laws, the Company engages an external service provider to provide secretary service and has appointed Ms. Lam Wai ("Ms. Lam") as its company secretary on 19 May 2023. Since Ms. Lam is not an employee of the Group, Mr. Tsang Chun Ho Anthony, our executive director, is the person whom Ms. Lam can contact for the purpose of Code Provision F.1.1 of the CG Code. Ms. Lam has confirmed that she has taken not less than 15 hours of relevant professional training during the year ended 31 December 2024 and has complied with the requirements of Rule 3.29 of the Listing Rules.

Auditor's Remuneration

The remuneration paid to the auditor of the Company, SFAI (HK) CPA Limited, for audit services and non-audit service amounted to approximately S$103,000 and S$Nil, respectively for the Current Year.

There was no non-audit service provided by SFAI (HK) CPA Limited to the Company during the Current Year.

COMMUNICATION WITH SHAREHOLDERS

The Company strives for maintaining effective and on-going communication with and timely disclosing useful information to the shareholders and potential investors of the Company. The Directors hold annual general meeting yearly to meet the shareholders of the Company, and publish and distribute annual and interim reports for providing updated financial performance and business developments of the Company to the shareholders of the Company.

SHAREHOLDERS' RIGHTS

Convening extraordinary general meeting

Pursuant to the Company's articles of association, the Board may whenever it thinks fit call extraordinary general meetings. Any one or more shareholders of the Company holding at the date of deposit of the requisition not less than one-tenth of the paid up capital of the Company carrying the right of voting at general meetings of the Company shall at all times have the right, by written requisition to the Board or the secretary of the Company, to require an extraordinary general meeting to be called by the Board for the transaction of any business specified in such requisition; and such meeting shall be held within two (2) months after the deposit of such requisition. If within twenty-one (21) days of such deposit the Board fails to proceed to convene such meeting the requisitionist(s) himself (themselves) may do so in the same manner, and all reasonable expenses incurred by the requisitionist(s) as a result of the failure of the Board shall be reimbursed to the requisitionist(s) by the Company.

Right to Put Forward Proposals at General Meetings

There is no provision for shareholders to propose resolutions at a general meeting under the Cayman Islands Companies Act (as revised). However, shareholders can follow the above procedure and request to convene extraordinary general meeting.

Right to Put Enquiries to the Board

Shareholders of the Company may send written enquiries or requests in respect of their rights to Unit 903, 9/F., Harbour Crystal Centre, 100 Granville Road, Tsim Sha Tsui, Kowloon, Hong Kong for the attention to the company secretary, or contact the Hong Kong Branch Share Registrar and Transfer Office of the Company, Tricor Investor Services Limited for any enquiries about their shareholdings and entitlements to dividend and to put their views on matters affecting the Company.

INVESTOR RELATIONS

The Company has established various communication channels with its shareholders, including but not limited to holding annual general meeting, publishing and distributing annual, interim and quarterly reports, announcements and circulars on the websites of the HKEx and the Company and to its shareholders, respectively.

The Company endeavours to maintain an on-going dialogue with Shareholders and in particular, through annual general meetings and other general meetings. Shareholders may make enquiries to the Company directly by raising questions at general meetings. Members of the Board, in particular, the chairlady/chairman of the Board committees or their delegates and external auditor will use all reasonable efforts to attend annual general meetings and to answer the questions of the shareholders.

The Company has reviewed the implementation and effectiveness of its shareholders communication policy and conclude that the policy is effective. Shareholders are given clear guidance in this Corporate Governance Report on how and when it can communicate with the Company, and are provided with regular updates on the Group's financial performance, strategic direction, and material business developments. In addition, our shareholders communication policy is regularly reviewed and updated to reflect changes in regulatory landscape and best practices, ensuring that the Company remains responsive to evolving shareholders' expectations and needs.

Articles of Association

There had been no significant change to the Articles of Association of the Company for the Current Year.

SENIOR MANAGEMENT REMUNERATION

The amounts of the Group's senior management remuneration for the Reporting Period are within the following band:

	Number of individuals	
	2024	2023
HK$1,000,000 or less (equivalent to S$172,117; 2023: S$169,000)	**–**	–

DIRECTORS' REPORT

The Directors have pleasure in presenting their annual report together with the audited consolidated financial statements of the Group (the "Consolidated Financial Statements") for the year ended 31 December 2024 (the "Current Year").

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding and those of the principal subsidiaries of the Company are set out in Note 1 to the consolidated financial statements for the Current Year.

SEGMENT INFORMATION

An analysis of the Group's performance for the Current Year by operating segment is set out in Note 7 to the consolidated financial statements for the Current Year.

BUSINESS REVIEW

The business review of the Group for the Current Year together the future business development is set out in the section headed "Management Discussion and Analysis" on pages 5 to 11 of this annual report. This discussion forms part of the report of directors.

The environmental policies and performance, compliance with relevant laws and regulations and relationships with employees, customers, suppliers and other that have a significant impact on the Company and on which the Company's success depends are also discussed in the Environmental, Social and Governance Report on pages 39 to 66 of this Annual Report.

RESULTS AND APPROPRIATIONS

The results of the group for the Current Year are set out in the consolidated statement of comprehensive income on page 74 of this annual report.

The Directors do not recommend the payment of a final dividend to the shareholders of the Company for the Current Year (2023: N/A).

DONATIONS

During the Current Year, charitable and other donations made by the Group amounted to S$Nil (2023: S$Nil).

ENVIRONMENTAL POLICIES AND PERFORMANCE

The Group is committed to achieving environmental sustainability. The Group endeavours to comply with the relevant laws and regulations regarding environmental protection and adopt effective measures to achieve efficient use of resources, waste reduction and energy saving.

In accordance with Rule 13.91 and the Environmental, Social and Governance Reporting Guide contained in Appendix C2 to the Listing Rules, the Company's environmental, social and governance report is contained in this report.

COMPLIANCE WITH THE RELEVANT LAWS AND REGULATIONS

The Group has compliance policies and procedures in place to ensure adherence to applicable laws, rules and regulations, in particular, those that have a significant impact on the operation of the Group, including the requirements under the Companies Ordinance, the Listing Rules, the SFO and the CG Code for, among other things, the disclosure of information and corporate governance. The Group would seek professional legal advice from its legal advisers to ensure that transactions and business to be performed by the Group are in compliance with the applicable laws and regulations. During the Current Year, the Group was not aware of any material non-compliance with any relevant laws and regulations that had a significant impact on it.

PROPERTY, PLANT AND EQUIPMENT

Details of movements in the property, plant and equipment of the Group during the Current Year are set out in Note 16 to the consolidated financial statements for the Current Year.

SHARES CAPITAL

Details of movements in the Company's share capital during the Current Year are set out in Note 27 to the consolidated financial statements for the Current Year.

DISTRIBUTABLE RESERVES

As at 31 December 2024, the Company's reserves available for distribution, calculated in accordance with the Companies Act (as revised) of the Cayman Islands, amounted to approximately S$2,422,000 (2023: approximately S$3,512,000).

DIVIDEND POLICY

The Dividend Distribution Policy of the Company establishes the principles to ascertain amounts that can be distributed to its shareholders as dividend by the Company. Subject to the applicable law and its Articles of Association, the Company's dividend payout will be determined based on available financial resources, investment requirements and taking into account optimal shareholders return.

While determining the nature and quantum of dividend payout, the Board would take into account the following factors, inter alia:

- Cash flow position of the Company
- Earnings stability
- Long term investments
- Future cash requirements for development
- Economic environment
- Industry outlook for the future years
- Changes in the Government policies, industry specific rulings & regulatory provisions

DIRECTORS' REPORT

EQUITY-LINKED AGREEMENTS

Other than the share option scheme of the Company, no equity-linked agreements that will or may result in the Company issuing shares or that require the Company to enter into any agreements that will or may result in the Company issuing shares were entered into by the Company during the Current Year or subsisted at the end of the Current Year.

PRE-EMPTIVE RIGHTS

There is no provision for the pre-emptive rights under the Company's Articles of Association, or the laws of the Cayman Islands, which would oblige the Company to offer new shares on a pro-rata basis to existing shareholders.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

At no time during the Current Year were rights to acquire benefits by means of the acquisition of shares in or debentures of the Company granted to any Directors or their respective spouses or children under 18 years of age, or were any such rights exercised by them, or was the Company, its holding company, or any of its subsidiaries and fellow subsidiaries a party to any arrangement to enable the Directors to acquire such rights in any other body corporate.

DISCLOSURE ON CHANGES IN INFORMATION OF DIRECTORS

Pursuant to Rule 13.51(B) of the Listing Rules, the changes in details of the Directors' information subsequent to the date of the interim report of the Company for the six months ended 30 June 2024 are set out below:

Name	Details of Changes
Mr. Lu Yongde	Mr. Lu Yongde was appointed as a chairman of the Board and executive Director on 22 July 2024. Details of his appointment, please refer to an announcement of the Company dated 22 July 2024.

FIVE YEARS FINANCIAL SUMMARY

A summary of the published results, assets and liabilities of the Group for the last five financial years is set out on page 154 of this annual report. This summary does not form part of the consolidated financial statements for the Current Year.

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

On 13 July 2017, the shares of the Company were listed on GEM operated by HKEx. On 23 December 2019, the shares of the Company have been transferred to be listed on the Main Board of HKEx by way of transfer of listing from GEM, and subsequently delisted from GEM. During the Corresponding Year, the Company was approved for secondary listing on the Frankfurt Stock Exchange ("FSE") of Germany and its shares have been traded on the FSE under the trading symbol "5WZ". The Company continues to have a primary listing on the Main Board of The Stock Exchange of Hong Kong Limited ("HKEx") and its shares have continued to be traded on the HKEx. Neither the Company nor any of its subsidiaries had purchased, sold and redeemed any of the Company's listed securities after the Listing and up to the date of this report (including the year ended 31 December 2024).

SHARE OPTION SCHEME

A share option scheme (the "Share Option Scheme") has been adopted by passing of written resolutions by the then shareholders of the Company and was effective on 23 June 2017. Unless otherwise cancelled or amended, the Share Option Scheme will remain in force for a period of 10 years from the date of its adoption. As at 31 December 2024, the remaining life of the Share Option Scheme is approximately 2.5 years. During the period from 23 June 2017 to the date of this report, no share options had been granted by the Company.

(a) Purpose of the Share Option Scheme

The purpose of the Share Option Scheme is to attract and retain the best available personnel, to provide additional incentive to employees (full-time and part-time), directors, consultants, advisers, distributors, contractors, suppliers, agents, customers, business partners or service providers of our Group and to promote the success of the business of our Group.

(b) Who may join and basis of eligibility

The basis of eligibility of any participant to the grant of any option shall be determined by the Board (or as the case may be, including, where required under the Listing Rules, the independent non-executive Directors) from time to time on the basis of the participant's contribution or potential contribution to the development and growth of our Group.

(c) Maximum number of shares

The maximum number of shares in respect of which options may be granted under the Share Option Scheme shall not in aggregate exceed 10% of all the Shares in issue as at the date of the Listing (i.e. not exceeding 45,000,000 shares representing 10% of the issued capital of the Company as at the date of this report).

(d) Maximum entitlement of each participant

The total number of Shares issued and to be issued upon the exercise of options granted to each participant (including both exercised and outstanding options) under the Share Option Scheme of our Company, in any 12-month period up to the date of grant shall not exceed 1% of the Shares in issue. Any further grant of options in excess of such limit must be separately approved by Shareholders in general meeting with such grantee and his/her close associates abstaining from voting. In such event, our Company must send a circular to the Shareholders containing the identity of the grantee, the number and terms of the options to be granted (and options previously granted to such grantee), and all other information required under the Listing Rules. The number and terms (including the subscription price) of the options to be granted to such grantee must be fixed before the approval of the Shareholders and the date of the Board meeting proposing such further grant should be taken as the date of grant for the purpose of calculating the subscription price.

(e) Time of exercise of option

An option may be exercised in accordance with the terms of the Share Option Scheme at any time during a period as the Board may determine which shall not exceed ten years from the date of grant subject to the provisions of early termination thereof.

(f) The minimum period for which an option must be held before it can be exercised

As determined by the Board upon the grant of an option.

(g) Grant of options and acceptance of offers

An offer for the grant of options must be accepted within seven days inclusive of the day on which such offer was made. The amount payable by the grantee of an option to our Company on acceptance of the offer for the grant of an option is HK$1.00.

(h) Price of Shares

The subscription price of a Share in respect of any particular option granted under the Share Option Scheme shall be a price solely determined by the Board and notified to a participant and shall be at least the higher of: (i) the closing price of the Shares as stated in the Stock Exchange's daily quotations sheet on the date of grant of the option, which must be a business day; (ii) the average of the closing prices of the Shares as stated in the Stock Exchange's daily quotations sheets for the five business days immediately preceding the date of grant of the option; and (iii) the nominal value of a Share on the date of grant of the option, provided that in the event of fractional prices, the subscription price per Share shall be rounded upwards to the nearest whole cent; and for the purpose of calculating the subscription price, where our Company has been listed on the Stock Exchange for less than five business days, the new issue price shall be used as the closing price for any business day falling within the period before listing.

DIRECTORS

The Directors during the Current Year and up to the date of this report were:

Executive Directors

Mr. Lu Yongde *(Chairman)* (appointed on 22 July 2024)
Mr. Tsang Chun Ho Anthony
Ms. Ma Xiaoqiu *(Chairlady)* (removed on 19 March 2024)

Non-executive Directors

Mr. Choi Tan Yee
Ms. Liu Xinyi (removed on 19 March 2024)
Ms. Chen Jun (removed on 19 March 2024)
Ms. Lyu Qiujia (removed on 19 March 2024)

Independent non-executive Directors

Mr. Cheng Wai Hei
Mr. Lam Chi Wing (appointed on 2 January 2024)
Ms. Li Jiayao (appointed on 6 June 2024)
Mr. Jin Lailin (removed on 19 March 2024)
Mr. Peng Peng (resigned on 2 January 2024)

Pursuant to the Articles of Association, Mr. Lu Yongde, Mr. Tsang Chun Ho Anthony and Mr. Choi Tan Yee will retire and, being eligible, offer themselves for re-election at the forthcoming annual general meeting of the Company (the "Annual General Meeting").

DIRECTORS' SERVICE CONTRACTS

Each executive Director has entered into a service contract with the Company for an initial term of three (3) years commencing from their respective date of appointment and shall continue thereafter unless and until it is terminated by the Company or the Director giving to the other not less than three months' prior notice in writing.

Each non-executive Director has entered into a service contract with the Company for an initial term of three (3) years commencing from their respective date of appointment and shall continue thereafter unless and until it is terminated by the Company or the Director giving to the other not less than three months' prior notice in writing.

Each of the current independent non-executive Director has entered into a letter of appointment with the Company for an initial term of three (3) years commencing from their respective date of appointment and shall continue thereafter unless terminated by the Company or the Director giving at least one month's notice in writing.

None of the directors who are proposed for re-election at the Annual General Meeting has a service contract or letter of appointment (as the case may be) with the Company which is not determinable within one year without payment of compensation, other than statutory compensation.

DIRECTORS' REMUNERATION

The Directors' fees are subject to shareholders' approval at the annual general meeting. Other emoluments are determined by the Board of the Company with reference to the recommendations by the Remuneration Committee, directors' duties, responsibilities and performance and the results of the Group. The remuneration of Directors (including executive Directors and independent non-executive Directors) on named basics are set out in Note 12(b) to the consolidated financial statements for the Current Year.

DIRECTORS' MATERIAL INTERESTS IN TRANSACTIONS, ARRANGEMENTS AND CONTRACTS THAT ARE SIGNIFICANT IN RELATION TO THE COMPANY'S BUSINESS

No transactions, arrangements and contracts of significance in relation to the Group's business to which the Company's subsidiaries, fellow subsidiaries or its parent company was a party and in which a director of the company had a material interest, whether directly or indirectly, subsisted at the end of the Current Year or at any time during the Current Year.

CONTROLLING SHAREHOLDERS' INTERESTS IN CONTRACTS OF SIGNIFICANCE

No controlling shareholder of the Company had a material interest, either directly or indirectly, in any contract of significance (whether for the provision of services to the Company or not) to the business of the Group to which the Company or any of its subsidiaries was a party during the Current Year.

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

Brief biographical details of directors and senior management are set out on pages 12 to 15 of this report.

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND/OR SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ANY SPECIFIED UNDERTAKING OF THE COMPANY OR ANY OTHER ASSOCIATED CORPORATION

As at the date of this report, the interests or short positions of the Directors and the chief executives of the Company in the Shares, underlying Shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO") which have been 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 he is taken or deemed to have 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 pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers contained in the Listing Rules, will were as follows:

Name of Director	**Capacity/Nature of interest**	**Number of Shares held** *(Note 1)*	**Approximately percentage of shareholding of the Company**
Mr. Lu Yongde	Interest in controlled corporation *(Note 2)*	230,000,000 (L)	51.11%
	Beneficial owner	100,000 (L)	0.02%

Notes:

(1) The Letter "L" denotes the person's long position in the relevant Shares.

(2) The entire issued share capital Billion Legend Company Limited ("Billion Legend") is legally and beneficially owned as to 100% by Mr. Lu Yongde. Accordingly, Mr. Lu Yongde is deemed to be interested in 230,000,000 Shares held by Billion Legend by virtue of the SFO.

At no time during the Current Year was the Company or any of its subsidiaries a party to any arrangements to enable the Directors to acquire benefits by means of the acquisition of the Shares, or debentures of the Company or any other body corporate.

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

As at the date of this report, the persons or entities who have interests or short positions in the Shares and underlying Shares of the Company which have been disclosed to the Company under the provisions of Division 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under Section 336 of the SFO are as follows:

Name	Capacity/Nature of interests	Number of Shares held *(Note 1)*	Approximately percentage of shareholding of the Company
Mr. Lu Yongde	Interest in controlled corporation *(Note 2)*	230,000,000 (L)	51.11%
	Beneficial owner	100,000 (L)	0.02%

Notes:

(1) The Letter "L" denotes the person's long position in the relevant Shares.

(2) The entire issued share capital of Billion Legend is legally and beneficially owned as to 100% by Mr. Lu Yongde. Accordingly, Mr. Lu Yongde is deemed to be interested in 230,000,000 Shares held by Billion Legend by virtue of the SFO.

MANAGEMENT CONTRACTS

No contracts concerning the management and administration of the whole or any substantial part of the business of the company were entered into or existed during the Current Year.

MAJOR CUSTOMERS AND SUPPLIERS

The percentages of purchases and sales for the Current Year attributable to the Group's major suppliers and customers are as follows:

Purchases

– the largest supplier	29.4%
– five largest suppliers in aggregate	92.4%

Sales

– the largest customer	58.0%
– five largest customers in aggregate	83.8%

To the best knowledge of the directors, neither the directors, their associates, nor any shareholders, who owned more than 5% of the Company's issued share capital, had any beneficial interest in any of the Group's five largest customers or suppliers during the Current Year.

DIRECTORS' REPORT

CONNECTED TRANSACTIONS

The Directors consider that those material related party transactions disclosed in Note 35 to the consolidated financial statements did not fall under the definition of "connected transactions" or "continuing connected transactions" (as the case may be) in Chapter 14A of the Listing Rules which are required to comply with any of the reporting, announcement or independent Shareholders' approval requirements under the Listing Rules. The Directors confirmed that the Company has complied with the disclosure requirements in accordance with Chapter 14A of the Listing Rules.

During the Current Year, the Group had no transactions which need to be disclosed as connected transactions or continuing connected transaction in accordance with the requirements of the Listing Rules.

FINANCIAL ASSISTANCE AND GUARANTEES TO AFFILIATED COMPANIES

As at 31 December 2024, the Group had not provided any financial assistance and guarantee.

SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the company and within the knowledge of the Directors, it is confirmed that there is sufficient public float of at least 25% of the Company's issued shares for the period from the date of Listing to 31 December 2024 and up to the date of this report.

TAX RELIEF

The Company is not aware of any relief from taxation available to the shareholders of the Company by reason of their holdings of the Company's shares.

COMPETING BUSINESS

During the Current Year and up to the date of this report, none of the Directors or the controlling shareholders or their respective associates (as defined in the Listing Rules) of the Company had any interests in any businesses which competed with or might compete with the business of the Group.

SUBSEQUENT EVENTS

There was no significant event occurred after the reporting period.

CONTINUING DISCLOSURE OBLIGATIONS PURSUANT TO THE LISTING RULES

The Company does not have any other disclosure obligations under Rules 13.20, 13.21 and 13.22 of the Listing Rules.

CONVERTIBLE SECURITIES, OPTIONS, WARRANTS OR SIMILAR RIGHTS

The Company had no outstanding convertible securities, options, warrants or similar rights as at 31 December 2024. There has been no issue or exercise of any convertible securities, options, warrants or similar rights during the Current Year.

CORPORATE GOVERNANCE REPORT

Details of the Group's corporate governance practices can be found in the Corporate Governance Report contained on pages 16 to 27 of this annual report.

LOANS AND BORROWINGS

The Group did not have bank loans or other borrowings as at 31 December 2024.

PERMITTED INDEMNITY PROVISIONS

At no time during the Current Year and up to the date of this Directors' Report, there was or is, any permitted indemnity provision being in force for the benefit of any of the directors of the Company or an associated company.

ANNUAL GENERAL MEETING

The Annual General Meeting will be held on Friday, 13 June 2025. A notice of which shall be sent to the shareholders of the Company in accordance with the Articles, the Listing Rules and other applicable laws and regulations.

CLOSURE OF REGISTER OF MEMBERS

For determining the entitlement to attend and vote at the forthcoming Annual General Meeting, the register of members of the Company will be closed from Tuesday, 10 June 2025 to Friday, 13 June 2025, both dates inclusive, during which period no transfer of shares can be registered. In order to be eligible to attend and vote at the Annual General Meeting, all transfers accompanied by the relevant share certificates must be lodged with the Company's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration not later than 4:30 p.m. on Monday, 9 June 2025.

AUDITOR

The consolidated financial statements have been audited by Prism Hong Kong and Shanghai Limited who retire and, being eligible, offer themselves for re-appointment. A resolution for the re-appointment of SFAI (HK) CPA Limited as auditor of the Company will be proposed at the forthcoming Annual General Meeting.

Prism Hong Kong Limited ("Prism") has resigned as the auditor of the Company with effect from 26 November 2024 as the Company could not reach consensus with Prism on the audit fee in respect of the audit of the consolidated financial statements of the Group for the year ended 31 December 2024. With the recommendation of the audit committee of the Company, the Board had resolved to appoint SFAI (HK) CPA Limited ("SFAI Hong Kong") as the auditor of the Company with effect from 26 November 2024 to fill the vacancy following the resignation of Prism and to hold office until the conclusion of the next annual general meeting of the Company. For more details, please refer to the announcement dated 26 November 2024 of the Company.

DIRECTORS' REPORT

The consolidated financial statements have been audited by SFAI Hong Kong who retire and, being eligible, offer themselves for re-appointment. A resolution for the re-appointment of SFAI Hong Kong as auditor of the Company will be proposed at the forthcoming Annual General Meeting.

On behalf of the Board

Lu Yongde
Executive Director
Hong Kong, 28 March 2025

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

ABOUT THIS REPORT

Introduction to the Report

This Environmental, Social and Governance Report (the "Report" or the "ESG Report") provides an overview of the initiatives, plans and performance of TOMO Holdings Limited (the "Company", the "Group" or "We", together with its subsidiaries) in Environmental, Social and Governance ("ESG") and demonstrates its commitment to sustainable development.

Reporting Period

This Report describes the ESG activities, challenges and measures taken by the Group during the year ended 31 December 2024 (the "Reporting Period", "Year", "FY2024").

Reporting Scope

This Report covers the Group's business operations in Singapore only, encompassing two primary sectors: (i) the sales and installation of passenger vehicle leather upholstery and electronic accessories; and (ii) the sales of electronic accessories, automotive parts, and motor vehicles.

Reporting Framework

This Report has been prepared in accordance with the ESG Reporting Guide as set out in Appendix C2 to the Rules Governing the Listing of Securities on Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

Reporting Principles

During the preparation of this ESG Report, the Group has applied the reporting principles stipulated in the ESG Reporting Guide as follows:

- *"Materiality"* – A materiality assessment was conducted to identify material issues during the Reporting Period, thereby adopting the confirmed material issues as the focus for the preparation of this ESG Report. The materiality of issues was reviewed and confirmed by the Board. Please refer to the sections headed "Engaging Stakeholders" for further details.

- *"Quantitative"* – Supplementary notes are added along with quantitative data disclosed in this ESG Report to explain any standards, methodologies, and source of conversion factors used during the calculation of environmental KPI.

- *"Balance"* – This Report aims to provide a holistic and fair view of the sustainability performance of the Group and has not omitted any information related to material ESG topics.

- *"Consistency"* – The approach adopted for the preparation of this ESG Report was substantially consistent with the previous year, and explanations were provided regarding data with changes in the scope of disclosure and calculation methodologies.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Forward-looking Statements

This ESG Report contains forward-looking statements which are based on the current expectations, estimations, projections, beliefs, and assumptions of the Group about the businesses and the markets in which it operates. These forward-looking statements are not guarantees of future performance and are subject to market risks, uncertainties, and factors beyond the control of the Group. Therefore, actual outcomes may differ from the assumptions made and the statements contained in this ESG Report.

Confirmation and Approval

This Report was endorsed by the ESG working group and approved by the Board in March 2025.

Contact Us

Your feedback is valuable to our continuous improvement, and we welcome any comments and suggestions you may have on this Report or our future ESG strategy in general. Please share any comments or suggestions regarding the Group's ESG performance at admin@tomogroupltd.com.

ESG GOVERNANCE STRUCTURE

The ESG working group and management play a pivotal role in overseeing the effective implementation of our environmental management measures and related policies. With a strong emphasis on accountability, we ensure that all departments within the organisation adhere to the Group's comprehensive environmental policy. Under the strict supervision and guidance of the ESG working group and management, we uphold our commitment to compliance with legal requirements across all our business processes. To maintain a proactive approach, management at every level continuously reviews our policies and implementation procedures. They report their findings to the Board and provide recommendations for necessary measures to further strengthen our environmental initiatives.

ENVIRONMENT, SOCIAL AND GOVERNANCE STRUCTURE

The Board

- Evaluate ESG-related risks and opportunities
- Formulate ESG management approaches, strategies, priorities and goals
- Regularly review ESG-related targets
- Review the disclosure in the ESG Report
- Oversee all ESG issues

ESG Working Group

- Collect and analyse ESG data and evaluate the effectiveness of policies and procedures
- Ensure the implementation of plans to achieve ESG targets
- Ensure compliance with relevant ESG laws and regulations
- Support the preparation of the annual ESG Report
- Report to the Board on all ESG-related issues

THE BOARD STATEMENT

The Board being ultimately responsible for monitoring the Group's ESG issues, including ESG management approach, strategy, and policies, holds a crucial role in ensuring effective oversight. To comprehensively manage the Group's ESG performance and proactively identify potential risks, the Board conducts materiality assessments, when necessary, with the assistance of the ESG working group. These assessments evaluate and prioritise material ESG-related issues, considering the opinions of stakeholders. Additionally, the Board reviews the progress made against ESG-related goals and targets, establishing a direct connection between these goals and targets and their relevance to the issuer's businesses.

STAKEHOLDER ENGAGEMENT

The Group recognises the significance of effective stakeholder engagement and collaboration. As the operations involve a variety of stakeholder Groups, their inputs allow the Group to respond promptly to sustainability challenges and opportunities. The feedback from stakeholders of different backgrounds also helps the Group understand the ever-changing market demands and global sustainability trends.

The Group adopts a three-step iterative process for materiality assessment: identifying, prioritising and validating. Through the process, the Group confirms the sustainability topics that are important to the business and stakeholders.

Identification

- Consider industry standards, trends, and the results of previous stakeholder engagement.

- Conduct survey and identify a list of issues that are considered relevant and important.

Prioritisation

- Gain insight from stakeholders on sustainability priorities.

- Prioritise material issues according to their relevance, impact and likelihood.

Validation

- Review and approve the material issues by the Board.

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In formulating operational and ESG strategies, the Group considers stakeholders' expectations through a diverse range of engagement methods and communication channels, as shown below:

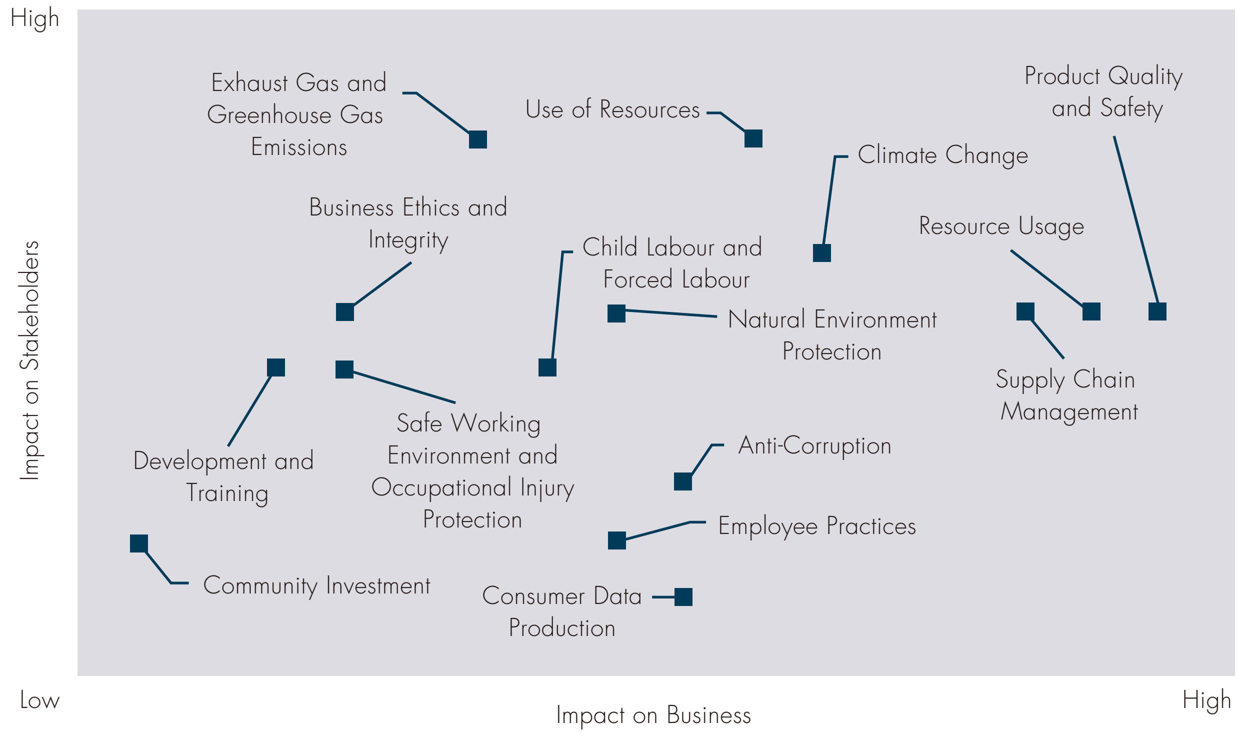
Stakeholders	Communication channels	Expectations
Employees	• Employee Activities • Professional Training • Performance Appraisal • On-site Meetings and Discussions	• Health and Safety • Equal Opportunities • Compensation and Benefits • Career Development • Legal Rights and Interests
Customers	• Customer Satisfaction Surveys • Customer Service Center • Complains Review Meeting • Hotline • Emails and Website	• Quality Services • Personal Safety • Compliant Operation • Privacy Protection • Seamless Communication
Suppliers	• Supplier Meetings and Events	• Contract Performance • Business Ethics
Investors and Shareholders	• Annual General Meeting • Special Report • Financial Reporting • Announcements and Circulars	• Compliant Operation • Information Disclosure • Financial Performance • Corporate Governance • Involvement in the Decision-making Process
Government and Regulators	• Regular Performance Report • Tax Payments	• Pay Taxes under Laws • Employment Growth • Compliance with Regulations • Security Operations
Community, NGOs, and Media	• Public and Community Events • Community Investment Programs • ESG Reports	• Community Contributions • Environmental Protection • Waste Disposal

MATERIALITY ASSESSMENT

Material issues in this report refer to what may have a significant impact on the Group's business operations or have an actual impact on stakeholders. To identify and prioritise these issues, the Group conducts a materiality assessment survey every year, presenting the findings in the form of a materiality matrix.

The following matrix is a summary of the Group's material ESG issues:

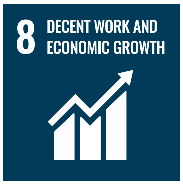
Materiality Matrix of the group



ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

INTEGRATION OF UNSDGs INTO ESG STRATEGY

To ensure the comprehensive and effective implementation of our sustainable development initiatives, we have integrated the United Nations Sustainable Development Goals (UNSDGs) into our overarching ESG strategy. This includes the establishment of core commitments for each major area, aligning our objectives with the UNSDGs to enhance our sustainability efforts across economic, social, and environmental dimensions. By embedding these goals into our strategic framework, we aim to drive meaningful change and contribute to global sustainability while fostering long-term value for our stakeholders.

Goals Number	How we support the Goals
	The health and well-being of our employees is our topmost priority. We have implemented a comprehensive set of policies and procedures that encompass every aspect of workplace safety, ranging from hazard identification and risk assessment to injury prevention and emergency response. These policies and procedures undergo regular review and updates to ensure compliance with the latest industry standards and best practices. We strongly believe that promoting a culture of safety is key to fostering a positive work environment where employees feel valued and supported. By consistently prioritising safety, we are committed to enhancing the health and well-being of our employees and creating a secure and conducive workplace for everyone. For further details on our commitment, please refer to "**Aspect B2: Health and Safety**".
	The Group is committed to promoting gender equality and implementing policies and practices that eliminate gender discrimination, ensure equal opportunities, and foster diversity and inclusivity. For further details on our commitment, please refer to "**Aspect B1: Employment**".
	The Group is dedicated to continuously creating a positive impact on the communities and economies in which we operate. This commitment reflects our unwavering dedication to fostering dignified work and promoting sustainable economic development. Our comprehensive approach entails advocating for fair employment practices, investing in the development of our employees, and collaborating with local stakeholders to support and drive the growth of the local economy. For further information, please refer to "**Aspect B1: Employment**" and "**Aspect B5: Supply Chain Management**".

Goals Number	How we support the Goals
13 CLIMATE ACTION	The Group recognises the pressing need for climate action and endeavors to mitigate greenhouse gas (GHG) emissions through a series of measures, including energy-efficient building designs and sustainable operational practices. Regular assessments of GHG emissions are conducted, as part of our commitment to continuously enhance our environmental performance. Our dedication to reducing our carbon footprint reflects the Group's steadfast resolve to address climate change and foster a more sustainable future for our business, stakeholders, and the global community. For further details on our commitment, please refer to "**Aspect A1: Emissions**".

A. ENVIRONMENTAL

In line with our commitment to environmental protection, the Group consistently prioritises and promotes the principles of green development. We recognise the significance of minimising the environmental footprint of our operations and strive to implement sustainable practices at every level. Our dedication to environmental management drives us to continually refine and optimise our existing measures. We proactively develop and implement relevant systems that adhere to stringent environmental standards. By enhancing our energy efficiency and adopting innovative technologies, we actively reduce pollution emissions.

Environmental Targets – Our Progress

In order to support global efforts to address climate change, accelerate the pace of transition to a green and low-carbon economy, resolutely achieve the "2050 carbon neutrality" goals, and assess the effectiveness of the Group's strategies and measures to mitigate the impact of climate change, we had set environmental targets of the Group, using 2020 as baseline and keeping our figures as the same as or lower than the baseline, as below.

Environmental Aspects	Units	2020 (baseline)	2024	Results
Greenhouse Gas emissions intensity	$kgCO_2e$/S$'000	9.7	16.81	↑ 73.3%
Electricity consumption intensity	kWh/S$'000	8.5	17.45	↑ 105.29%
Water consumption intensity	m^3/S$'000	0.06	0.07	↑ 16.67%

Setting these objectives, it provides guidance for the Group's business strategy. The steps taken to achieve these goals are detailed below.

A.1 Emissions

During the Reporting Period, the Group was not aware of any material non-compliance with environmental-related laws and regulations in relation to exhaust gas and greenhouse gases ("GHGs"), emissions, water and land discharge, and the generation of hazardous and non-hazardous waste that would have a significant impact on the Group. Such laws and regulations include but not limited to Water Pollution Control Ordinance of Hong Kong, Waste Disposal Ordinance of Hong Kong, Environmental Protection and Management Act of Singapore, Water Pollution Control and Drainage Act of Singapore.

Air Emissions

To align the global development of the low-carbon economy, the Group pays attention to its air emissions arise from the daily operations. The principles sources of air emissions are the combustion of diesel for company vehicles.

Type of Air Pollutants	Unit	2024	2023
Nitrogen Oxides (NO_x)	kg	77.33	101.08
Sulphur Oxides (SO_x)	kg	0.16	0.14
Particulate Matter ("PM")	kg	7.41	9.69

Greenhouse Gas ("GHG") Emissions

The major sources of the Group's GHG emissions are direct GHG emissions (Scope 1) from petrol combustion of company-owned vehicles and indirect GHG emissions (Scope 2) from purchased electricity. During the Reporting Period, the Group experienced an increase in total GHG emissions due to the expanded use of vehicles.

In order to our reduce footprint, we have implemented the following best practices for our vehicles:

- Optimised engine performance and maximise diesel efficiency through regular maintenance.
- Upgraded the fleet vehicles by replacing older ones with more fuel-efficient diesel vehicles.

Types of GHG Emissions[1]	Units	2024	2023
Direct GHG emissions (Scope 1)			
• Diesel	tCO_2e	27.2	23.3
Indirect GHG emissions (Scope 2)			
• Purchased electricity	tCO_2e	20.4	20.4
Total GHG Emissions	tCO_2e	47.6	43.7
Intensity	$kgCO_2e$ per S$'000[2]	16.8	4.81[3]

Notes:

1. GHG emissions data is presented in terms of carbon dioxide equivalent and are based on, including but not limited to, "The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standards" issued by the World Resources Institute and the World Business Council for Sustainable Development, "How to prepare an ESG Report – Appendix 2: Reporting Guidance on Environmental KPIs" issued by the Stock Exchange, "Global Warming Potential Values" from the IPCC Assessment Report and the 2023 grid emission factor published by the Energy Market Authority of Singapore.

2. The Group's total revenue in 2024 was S$2,831k, compared to S$9,071k in 2023. This data is also used to calculate other intensity data in the Report.

3. FY2023 GHG Emissions intensity has been restated.

Sewage Discharge

Given the nature of its operations, the Group's business activities do not generate any substantial discharge. Instead, the Group ensures that all wastewater generated is appropriately channeled to local sewage treatment plants for thorough treatment via the municipal sewage network. Detailed information regarding the Group's water consumption data will be provided in the "Water Management section" under aspect A2.

Waste Management

The Group actively advocates the importance of environmental management, strictly controls the generation of waste, continuously optimises management and monitoring, meeting the requirements of national and local environmental standards. We have in place an internal waste management guideline ensuring that all waste is properly collected and handled by licensed contractors, and according to local laws and regulations. The guideline identifies personnel responsible and details of their duties. It also explicitly outlines the methods for garbage collection, storage, and disposal. We encourage our employees to follow the guidelines and embrace the challenge of circularity.

Hazardous Waste

Due to the nature of its business, the Group did not generate any hazardous waste during the Reporting Period. However, the Group has also formulated guidelines for the management and disposal of hazardous waste. If any hazardous waste is generated, the Group must engage qualified chemical waste collectors to treat such waste to comply with relevant environmental laws and regulations.

Non-hazardous Waste

The Group's business activities generate non-hazardous waste, primarily consisting of general waste.

For non-recyclable waste, we ensure its proper disposal and prevention of environmental pollution by transporting it to designated garbage transfer stations. This ensures that our waste management processes align with established regulations and standards. In line with our commitment to sustainability, we have also prioritised the creation of a green office environment. Our offices are equipped with suitable waste separation facilities, promoting waste separation at its source.

We actively encourage our employees to participate in waste recycling initiatives and emphasise the importance of reducing, reusing, and recycling waste throughout our operations.

Types of Waste Disposal	Unit	2024	2023[4]
General Waste	tonnes	2.84	2.13
Paper	tonnes	0.08	0.09
Total Non-hazardous Waste	tonnes	2.92	2.22
Intensity	tonnes per S$'000	0.001	0.0002

Note:

4. FY2023 non-hazardous waste units have been restated.

A.2 Use of Resources

The Group has implemented policies and measures to efficiently manage resource utilisation, aiming to enhance energy efficiency and minimise the consumption of non-essential materials. Our resource management policies and procedures ensure effective control over resource usage. Additionally, we prioritise the management of high-energy-consuming equipment, regulating their operational processes to maximise energy efficiency.

Energy Management

In its daily operations, the primary source of energy consumption for the Group is electricity, which is mainly derived from the daily operations of both the office and workshop machinery. Since the Group's main energy consumption comes from electricity, we integrate energy conservation and emission reduction into our business operation and development goals, establishing an energy-saving performance management system. The relevant specific measures are as follows:

- Replace traditional light bulbs with LED lighting system.
- In feasible situations establish applicable targets to monitor energy consumption.
- Ensure to power off electrical appliances when they are not in use.
- Turn off lighting, computers, and air conditioning systems before leaving at the end of the working day.
- Place energy-saving reminder labels next to switches.
- Regular clean office equipment, such as refrigerators and air conditioning units, to maintain optimal efficiency.
- Set the air conditioning temperature to 25°C.

In addition, the Group conducts sustainability education and training from time to time, promotes practical suggestions on eco-friendly lifestyles, and raises employees' awareness of energy conservation.

Indicators	**Unit**	**2024**	**2023**
Direct Energy Consumption			
– Diesel	kWh	106,001.95	90,619.37
Indirect Energy Consumption			
– Purchased electricity	kWh	49,390	48,870
Total Energy Consumption	kWh	155,391.95	139,489.37
Intensity	kWh per S$'000	54.89	15.385

Note:

5. FY2023 energy consumption intensity has been restated.

Water Management

The Group's water usage is mainly used for domestic cleaning in offices and facilities. As the Group recognises the prevailing global water scarcity, we proactively implement strategies to address this critical issue. We promote a culture of water conservation among employees and have implemented a range of measures to mitigate water usage. There are no issues related to obtaining suitable water sources. The following are some of the water conservation initiatives we have established:

- Enhance inspection and maintenance of faucets, promptly repairing any leaking faucets to prevent water wastage.
- Promote water conservation by prominently displaying "Save Water" posters to encourage and raise awareness about the importance of reducing water usage.
- Implement water-saving devices to reduce water consumption.

Index	**Unit**	**2024**	**2023**
Total water consumption	m^3	202	196
Intensity	m^3 per S$'000	0.07	0.02

Using of Packaging Materials

The disclosure is not applicable to the Group since the production of its products has been outsourced to third-party factories. Consequently, the Group does not utilise packaging materials in its day-to-day operations.

A.3 The Environment and Natural Resources

The Group is committed to reducing the environmental impact of its operations by implementing best practices for sustainability and resource conservation. We comply with environmental laws and international standards while integrating eco-friendly principles into daily operations, including responsible waste management and resource efficiency. Efforts to minimize electricity and fuel consumption help lower greenhouse gas emissions, reinforcing the Group's commitment to sustainable business practices. Additionally, the Group has established an environmental monitoring and emergency response system to address potential environmental risks.

A.4 Climate Change

Extreme weather conditions are increasing, affecting more people worldwide. The complexity of today's world means climate disasters have far-reaching consequences, making urgent decarbonization essential.

The Group is committed to reducing its environmental footprint by implementing high operational standards. Focus areas include waste reduction, energy saving, and water conservation. The Group aims to adopt circular approaches to production and consumption, reducing waste at the source and utilizing innovative technologies.

Steps have been taken to identify and assess climate risks and opportunities, maximizing positive impacts and minimizing negative ones. This assessment informs stakeholders about the Group's strategic actions on climate change.

Climate Risks and Opportunities		Potential Impacts	Mitigation Strategy
Physical Risks	Increased frequency and severity of extreme weather events such as heavy rainfalls, and extreme temperatures	• Decreased revenue due to extreme weather events that reduce customer traffic and delay projects. • Increased capital expenditures for the implementation of mitigation measures required. • Increased operational costs due to health and safety incidents. • Reduced asset value due to the exposure of continuous climate risks.	• Undertake precautionary measures for all employees and workers during heavy rainstorm, such as developing operation continuity plans and conducting emergency drills. • State working instructions to give directions on preventive measures and operational procedures. • Carry out climate risk assessment and incorporate climate-resilient designs in new projects. • Promote the use of energy-efficient systems.
Transition Risks	Tightened requirements and regulations on energy efficiency and green standards	• Increased capital expenditures for the procurement of energy-efficient equipment • Increased risks of non-compliance with the requirements of green standards.	• Commit to Government's schemes to impose energy-saving measures and procure energy-efficient equipment.
	Increased implementation and application of technology	• Increased capital expenditures for the procurement of new technologies and R&D. • Long-term opportunities to embrace technology to improve efficiency and branding.	• Source and introduce technological applications.
	Increased expectation from stakeholders (including banks, investors, among others)	• Potential negative impacts on share price and investor demands due to lack of climate risk governance and disclosure. • Possible lowered cost of capital through green finance.	• Include climate risks and opportunities disclosure in sustainability Reports. • Actively engage stakeholders including government authorities, NGOs, and professional institutes to understand their expectations in key sustainability areas including climate change.

B. SOCIAL

The Group values its relationship with all of its stakeholders. Creating a shared value for stakeholders provides a competitive edge for sustaining the Group's long-term prosperity. The Group prioritise the health and safety of its employees through comprehensive health and safety guidelines. To effect positive impact on the communities in which the business operates, the Group supports impactful social initiatives to address the needs of the underprivileged.

B.1 Employment

Aspiring to become an employer of choice, the Group strives to protect the well-being of its employees. The Group adheres to a people-oriented principle, respects and protects all employee's legitimate rights and interests and regulates labour employment management to safeguard employees' occupational health and safety.

The Group is committed to providing fair opportunities to all candidates in order to attract and retain talents. Its fair hiring practices ensure recruitment is merit-based, without unconscious bias of any kind. Factors such as capabilities, academic qualification, practical working requirements, functional knowledge and language proficiency are considered recruitment standards under a transparent and friendly recruitment process.

We strictly adhere to the applicable employment laws and regulations in Singapore, including but not limited to the Employment Act of Singapore (Chapter 91), the Foreign Employee Levy Act of Singapore (Chapter 91A), and Employment Ordinance Hong Kong. The Human Resources departments of the Group and its subsidiaries regularly review and update company policies in accordance with the latest laws and regulations.

Recruitment, Promotion and Dismissal

Promotions and dismissals within the organisation are carried out on a fair and equal opportunity basis. Employee promotions are reviewed annually, considering objective performance indicators. Supervisors engage in effective two-way communication with employees, discussing their performance and facilitating advancement. Regular performance appraisals are conducted to evaluate employees' work performance, capabilities, and potential for progress, laying the foundation for future promotions and training. The Group encourages internal promotion to provide employees with additional opportunities for personal and professional development. The organisation strictly prohibits unreasonable dismissals under any circumstances. If necessary, dismissals are based on reasonable and lawful grounds, aligned with the Group's internal policies.

Compensation and Benefits

Equitable remuneration and benefits contribute to employee satisfaction, team morale and overall performance. The Group offers an extensive and competitive package of renumeration and benefits, and it reviews its package in a timely manner in response to market changes. In Singapore, the Group offers its employees the Central Provident Fund ("CPF") as a mandatory benefit, while in Hong Kong, the Group provides contributions to the Mandatory Provident Fund ("MPF") for its employees. It offers non-statutory benefits as additional welfare to employees, such as maternity and parental pay, and educational support. Outstanding employee awards, and long-term service awards are also offered.

Equal Opportunity, Diversity and Anti-Discrimination

The Group is committed to strict compliance with all national and local governmental laws and regulations. We uphold a fair, equitable, and transparent recruitment process, establishing policies that prevent discrimination in recruitment. Our aim is to ensure that no individual experiences discrimination based on race, nationality, disability, age, marital status, gender, pregnancy, sexual orientation, or political association. We strive to provide equal and fair treatment to all employees, encompassing areas such as recruitment, remuneration, training, promotion, dismissal, retirement, and other aspects of employment.

If an employee faces intimidation, humiliation, bullying, or harassment, including sexual harassment, they are encouraged to report the matter to their designated employee representative or directly to the general manager. The Group takes such complaints seriously and will employ appropriate measures to address and resolve these issues promptly upon receipt of the complaint.

Employee Communication Channels

The Group engages in proactive dialogue with its employees using various management mechanisms and communication channels, including internal mail systems, employee satisfaction questionnaires, and meetings.

To ensure a fair and transparent process, the Group has established guidelines in the Employee Handbook. It stipulates that employees should report any irregularities or concerns to their supervisors or the Human Resources Department. All reported cases will be thoroughly investigated, and appropriate actions will be taken to address them. We guarantee that the investigation and resolution process will be conducted with strict confidentiality, protecting the privacy and well-being of all parties involved.

As of 31 December 2024, the breakdown of workforce in Singapore is shown below:

Breakdown of Employees	**2024**	**2023**
Total	36	35
By Gender		
Male	27	25
Female	9	10
By Age Group		
Below 30	3	4
30 to 50	16	10
Over 50	17	21
By Employment Type		
Full time	35	34
Part time	1	1
By Region		
Singapore	36	35
By Employment Category		
Senior Management	0	0
Middle Management	5	6
General Staff	31	29

During the Reporting Period, the employee turnover rate and the breakdown is as follows:

Employee Turnover Rate	**2024**	**2023**
By Gender		
Male	11%	83.3%
Female	11%	16.7%
By Age Group		
Below 30	0%	83.3%
30 to 50	19%	0%
Over 50	6%	16.7%
By Region		
Singapore	11%	17%

B.2 Health and Safety

The Group places a high priority on the health and safety of its employees as an integral part of its business management approach. Guided by a people-oriented principle, we are dedicated to creating a healthy, safe, and comfortable working environment for all employees. Our goal is to identify and eliminate potential workplace health and safety hazards, implementing comprehensive safety management practices across all aspects of our operations.

Occupational Health and Safety

To uphold a safe and healthy working environment, the Group has developed a Safety Work Responsibility management system, aligning with Singapore's occupational safety and health policies, notably the Workplace Safety and Health Act (Chapter 354A) of Singapore, and the Health Ordinance of Hong Kong. This legislation serves as the legal foundation for promoting workplace safety and health, establishing a comprehensive framework to ensure the well-being of employees in their work environments.

No work-related fatalities happened during the past 3 consecutive years:

Indicators	Unit	2024	2023	2022
Fatalities due to work	Cases	0	0	0
Lost days due to work injury	Days	0		
Work injury rate[6]	%	0		

Note:

6. Work injury rate is calculated by number of work-related injury Lost days/(number of Employee x 22 x 12 (working days)) x 100%. The Group has subscribed employees' compensation insurance for all employees, and it has covered the compensation required due to work-related injury.

In order to ensure a safe working environment and protect employees from occupational hazards, The Group has implemented a range of policies aligned with ISO 9001:2008 and BizSAFE Level 3 standards. We are dedicated to eliminating workplace injuries by implementing the following measures:

- Promote a safe community responsible for workplace safety.
- Ensure regular safety briefings and reminders for workers.
- Conduct professional on-site safety monitoring.
- Reprimand employees who violate safety guidelines.
- Implement safety warnings and stickers in strategic locations.

B.3 Development and Training

Investing in future leaders is essential for ensuring the Group's long-term success and resilience. The Group intends to nurture its talent pipeline to retain high-performers and be equipped with leaders for tomorrow. In view of this, the Group provides them with the right tools and an environment in which they can grow professionally. Employees are continuously motivated to improve and contribute their knowledge and experiences towards shaping the future.

Structured skills development programs are in place across the Group for all employees, who play an integral role in operations. The Group's targeted learning activities aim to address the skills development needs of each core business as well as employees' career development aspirations. The content and structure of its learning programs are continually refreshed to keep pace with market developments and digitalisation requirements.

During the Reporting Period, the Group provided around 192 hours of training, with an average training hour of approximately 5.33 hour per trained employee. The breakdown of the employees trained by gender and employment category is as follows:

Percentage of Employees Trained	2024	2023
By Gender		
Male	44.44%	56.00%
Female	44.44%	70.00%
By Employment Category		
Management	100%	100%
General Staff	51.61%	51.72%

The breakdown of the average number of training hours completed per employee by gender and employment category is as follows:

Number of Training Hours (Hours)	2024	2023
By Gender		
Male	96	91
Female	96	99
By Employment Category		
Management	0	6
General Staff	192	184

B.4 Labour Standards

Prevention of Child and Forced Labour

The Group has zero tolerance and strictly prohibits the use of child labour, forced labour and hiring of illegal immigrants in our operations. Below measures have been taken to avoid these illegal employment practices.

Prevention of child labour	During the recruitment process, the human resources department will verify the applicant's identity documents and ensure that they have reached the minimum age for employment.
Prohibition of forced labour	The Group specifies overtime compensation provisions in the Employee Handbook. The Group carefully monitors the employee working time and working schedule to ensure they work voluntarily and freely.
Prevention of hiring of illegal immigrants	A Stringent recruitment screening procedure is adopted to ensure that all recruited employees bear the necessary documents to work for the Group, such as Singapore ID, proof of eligible working visa, the Construction Industry Safety Training Certificate, etc.

In case of any illegal labour practice is discovered, the Group will stop their employments immediately. An investigation will be carried out subsequently and report the case to the relevant authorities.

During the Reporting Period, the Group was not aware of any material non-compliance with child and forced labour-related laws and regulations, that would have a significant impact on the Group including but not limited to the Employment Ordinance (Chapter 57 of the Laws of Hong Kong), the Employment of Children Regulations (Chapter 57B of the Laws of Hong Kong), the Children and Young Person Act of the Republic of Singapore and Employment Act of the Republic of Singapore.

B.5 Supply Chain Management

The Group extends its effective governance to its supply chain. Through the Supplier Code of Conduct, the Group communicates its expectations to suppliers on upholding ethical standards, compliance with law, and avoidance of corruption. The Supplier Code of Conduct is being implemented in the following process:

- *Understanding:* The Group builds trust with suppliers and ensures that they have a clear understand of the code.

- *Communication:* Communication channels between the Group and its suppliers are established to make sure any questions or concerns are quickly addressed.

- *Monitoring:* Regular reviews are made to check if suppliers are adhering to the standards outlined in the code.

- *Follow-up:* Follow up actions will be taken if any non-compliance is discovered during the regular reviews.

Supplier Management

The Group identifies, evaluates, and selects its suppliers based on its needs and requirements, and considers suppliers on factors like quality, pricing, reliability, and overall value. Moreover, identifying environmental and social risks along with supply chain is crucial for ensuring sustainable and responsible business practices. The Group conducts risk evaluation on suppliers by identifying potential environmental and social risks, communicating with suppliers regularly, and conducting site visits and supplier audits. By continuing to monitor and review the suppliers performance, we understand the environmental and social risks associated with our supply chain and work towards mitigating those risks effectively. The Group seeks to leverage its purchasing power in support of sustainable consumption and production by choosing environmentally and socially preferable options.

To ensure product quality and prevent potential recalls, a comprehensive quality checking procedure is implemented before the products are dispatched from the factory. Additionally, our customers services team is available to provide support and assistance to customers in the event of any product-related concern.

In 2024, the Group had a total of 12 suppliers, and the following breakdown illustrates their distribution:

Location	No. of Suppliers
China	2
Singapore	5
Malaysia	3
Korea	2

Open and Fair Procurement

The Group has established a supplier selection system which involves the following operational department. In the supplier selection process, we conduct a comprehensive evaluation that goes beyond basic supplier information. We consider different factors, including but not limited to delivery schedule, pricing, product quality, possession of necessary licenses and certifications, and compliance with relevant industrial laws, regulations, and standards. The Group identifies, evaluates, and selects its suppliers based on its needs and requirements, and considers suppliers on factors like quality, pricing, reliability, and overall value. Moreover, identifying environmental and social risks along with supply chain is crucial for ensuring sustainable and responsible business practices. The Group conducts risk evaluation on suppliers by identifying potential environmental and social risks, communicating with suppliers regularly, and conducting site visits and supplier audits. Our 12 suppliers diligently adhered to all the prescribed rules and regulation.

Green Procurement

The Group aims to foster a virtuous ecosystem comprising customers, enterprises, and suppliers through innovative approaches and transformative changes in the supply chain. Emphasising sustainable development, the Group is dedicated to local procurement, streamlining turnaround times, and integrating sustainable practices into its business model.

Throughout the procurement process, the Group prioritises local suppliers and environmentally friendly products and services. By favoring local procurement, the Group seeks to minimise the carbon footprint associated with procurement activities, while simultaneously supporting local economic growth and generating employment opportunities within local communities.

B.6 Product Responsibility

Customer Service

The Group demonstrates a diligent approach in meeting customer needs by actively engaging with them to gain valuable insights into their interests and concerns. Multiple mechanisms are employed to gauge customer satisfaction and monitor feedback, including regular customer satisfaction surveys and service reviews.

Customer health and safety is always placed at the top priority. The Group's management systems ensure quality and mitigate environmental, safety, and security hazards.

To ensure product quality and prevent potential recalls, a comprehensive quality checking procedure is implemented before the products are dispatched from the factory. Additionally, our customers services team is available to provide support and assistance to customers in the event of any product-related concern.

During the Reporting Period, the Group received no complaints, none of which were related to non-compliance with pertinent laws and regulations concerning health and safety, advertising, labeling, privacy matters, or methods of redress for the products and services provided. Furthermore, there were no product recalls given the nature of the business.

Protection of Intellectual Property Rights

Fair and unbiased information is emphasised in all marketing publications. All promotional materials must be examined by the management to ensure they adhere to all applicable advertising and intellectual property rights laws. To prevent infringement and infringement upon, the Group follows patents and licensing restrictions. The Group has also implemented registration to safeguard its intellectual property rights.

During the Reporting Period, there were no incidents of non-compliance concerning marketing communications occurred within the Group. The Group has registered the "Eurostyle" trademark in Singapore and Hong Kong. This brand is applicable to a variety of different products.

Privacy Protection

The Group's comprehensive governance structure safeguards digital information and protects the Group against the risk of human error, cyberattacks, and other threats. The governance structure is built upon the following best practice principles:

- *Secure the information:* The Group specifies who has access to the data and encrypts the information as needed.

- *Prepare for threats:* The Group performs test on its systems, educates its employees, and devises a data recovery plan, to prepare for cyber threats.

- *Remove information not in use:* Both digital and physical copies of data that the Group no longer uses are removed to reduce the chances of information being misused.

The Group respects the privacy of personal data. Protecting the personal data of customers and employees ensures legal compliance, financial stability, and sustained reputation, fostering a culture of trust among the Group and its stakeholders. The Group's Policy on Personal Data contains provisions on the legitimate purposes of collecting, using, retaining, sharing, transferring, and processing any personal data.

Advertising and Labelling

The Group places a strong emphasis on adhering to relevant regulations and guidelines concerning media advertising, recognising the significance of responsible and compliant advertising practices. The Group has established internal guidelines to ensure the provision of accurate product labels and marketing materials in compliance with the Consumer Protection (Trade Descriptions and Safety Requirements) Act (Chapter 53) and industry standards. The Group strictly prohibits the exaggeration of product claims in marketing materials. Any deviation from the Group's internal guidelines will result in immediate corrective measures being taken.

B.7 Anti-Corruption

The Board sets a tone of zero tolerance towards fraud and corruption. The Group's Employee Handbook states guidelines that require employees to comply with all applicable rules on conflicts of interest, insider dealing, anti-competition and anti-corruption. It demands strict adherence from every employee to applicable laws, rules, and regulations in the jurisdictions in which the Group operates.

The Anti-corruption Policy provides guidance for employees on recognising and avoiding unethical behaviour in a range of business contexts, including procurement of goods and services, accepting and offering corporate gifts or hospitality, and making political or charitable contributions. Any solicitation or acceptance of an advantage, any form of bribery, extortion, fraud, or money laundering are strictly prohibited.

Anti-Corruption Training

The Group provides training to employees on its governance policies. New joiners receive training as part of their induction programs. During the Reporting Period, the directors and employees were provided with anti-corruption training for a total of 1 hour and the Group was unaware of any non-compliance with the relevant laws and regulations relating to bribery, extortion, fraud and money laundering. There were no concluded legal cases regarding corrupt practices brought against the Group or its employees.

Whistleblowing

The Group encourages its employees and other stakeholders, including customers and suppliers, to raise concerns about suspected improprieties, misconduct, or malpractice. A confidential channel is in place for employees and stakeholders to report any suspected incidents.

Following the guidelines outlined in the Whistleblowing Policy, the Group treats every reported incident with utmost confidentiality and ensures that whistleblowers are protected from unfair dismissal, victimisation, or unwarranted disciplinary action. Incidents related to fraud and corruption will be thoroughly investigated.

B.8 Community Investment

The Group considers it as a privilege to have the ability to give back to the community. Throughout the Reporting Period, the Group's community investment initiatives have prioritised the expansion of business operations to create increased employment opportunities. Moreover, we have fostered employee involvement in community endeavors, including volunteering and contributing to supported projects, as well as participation in environmental conservation initiatives.

While the group has not yet undertaken specific community initiatives, they are committed to exploring opportunities for community engagement and making a positive impact in the future.

MAJOR APPLICABLE LAWS AND REGULATIONS

Aspect	Main Applicable Laws and Regulations (Laws of Hong Kong unless otherwise specified)
Environment	• Water Pollution Control Ordinance • Waste Disposal Ordinance • Air Pollution Control Ordinance • Environmental Protection and Management Act of the Republic of Singapore • Air Pollution Control Act of the Republic of Singapore • Energy Conservation Act of the Republic of Singapore • Hazardous Substances Act of the Republic of Singapore
Employment and Labour Standards	• Employment Ordinance • Employees' Compensation • Sex Discrimination Ordinance • Family Status Discrimination Ordinance • Personal Data (Privacy) Ordinance • Employment Act of the Republic of Singapore • Employment of Foreign Manpower Act of the Republic of Singapore • Children and Young Person Act of the Republic of Singapore • Workplace Safety and Health Act of the Republic of Singapore • Central Provident Fund Act of the Republic of Singapore • Employment Claims Act of the Republic of Singapore
Health and Safety	• Occupational Safety and Health Ordinance • Fire Safety Ordinance • Workplace Safety and Health Act of the Republic of Singapore

Aspect	Main Applicable Laws and Regulations (Laws of Hong Kong unless otherwise specified)
Product Responsibility	• Trade Description Ordinance • Personal Data (Privacy) Ordinance • Consumer Protection (Consumer Goods Safety Requirements) Regulations of the Republic of Singapore • Consumer Protection (Trade Descriptions and Safety Requirements) Act of the Republic of Singapore • Control of Consumer Goods (Safety) Regulations of the Republic of Singapore
Anti-corruption	• Prevention of Bribery Ordinance • Anti-Money Laundering and Counter-Terrorist Financing Ordinance • Prevention of Corruption Act of the Republic of Singapore • Whistleblower Protection Act of the Republic of Singapore

CONTENT INDEX OF THE STOCK EXCHANGE ESG REPORTING GUIDE

Mandatory Disclosure Requirements	Section/Declaration
Governance Structure	Introduction, Broad Statement
Reporting Principles	Reporting Framework
Reporting Boundary	Scope of Reporting

Indicators	Subject Areas, Aspects, General Disclosures and KPIs Description	Section and Remarks
A. Environmental		
Aspect A1: Emissions		
General Disclosure	Information on: (a) The policies; and (b) Compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste. *Note:* Air emissions include NO_x, SO_x, and other pollutants regulated under national laws and regulations. Greenhouse gases include carbon dioxide, methane, nitrous oxide, hydrofluorocarbons, perfluorocarbons and sulphur hexafluoride. Hazardous wastes are those defined by national regulations.	Emissions
KPI A1.1	The types of emissions and respective emissions data.	Emissions
KPI A1.2	Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Emissions – GHG Emissions
KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Emissions – Waste Management
KPI A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Emissions – Waste Management
KPI A1.5	Description of emission target(s) set and steps taken to achieve them.	Environmental Targets – Our Progress
KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	Emissions – Waste Management

Indicators	Subject Areas, Aspects, General Disclosures and KPIs Description	Section and Remarks
Aspect A2: Use of Resources		
General Disclosure	Policies on the efficient use of resources, including energy, waste and other raw materials. *Note:* Resources may be used in production, in storage, transportation, in buildings, electronic equipment, etc.	Use of Resources
KPI A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).	Use of Resources – Energy Management
KPI A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	Use of Resources – Water Management
KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	Use of Resources – Energy Management
KPI A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	Use of Resources – Water Management
KPI A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	Use of Resources – Use of Packaging Materials
Aspect A3: The Environment and Natural Resources		
General Disclosure	Policies on minimising the issuer's significant impacts on the environment and natural resources.	The Environment and Natural Resources
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	The Environment and Natural Resources – Noise Control, Park Greenery
Aspect A4: Climate Change		
General Disclosure	Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	Climate Change
KPI A4.1	Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them.	Climate Change – Physical Risks, Transition Risks

Indicators	Subject Areas, Aspects, General Disclosures and KPIs Description	Section and Remarks
B. Social		
Employment and Labour Practices		
Aspect B1: Employment		
General Disclosure	Information on: (a) The policies; and (b) Compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	Employment
KPI B1.1	Total workforce by gender, employment type (for example, full- or part-time), age Group and geographical region.	Employment
KPI B1.2	Employee turnover rate by gender, age group and geographical region.	Employment
Aspect B2: Health and Safety		
General Disclosure	Information on: (a) The policies; and (b) Compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	Health and Safety
KPI B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the Reporting year.	Health and Safety
KPI B2.2	Lost days due to work injury.	Health and Safety
KPI B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	Health and Safety – Occupational Health and Safety
Aspect B3: Development and Training		
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities. *Note:* Training refers to vocational training. It may include internal and external courses paid by the employer.	Development and Training
KPI B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	Development and Training
KPI B3.2	The average training hours completed per employee by gender and employee category.	Development and Training

Indicators	Subject Areas, Aspects, General Disclosures and KPIs Description	Section and Remarks
Aspect B4: Labour Standards		
General Disclosure	Information on: (a) The policies; and (b) Compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.	Labour Standards – Prevention of Child and Forced Labour
KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.	Labour Standards – Prevention of Child and Forced Labour
KPI B4.2	Description of steps taken to eliminate such practices when discovered.	Labour Standards – Prevention of Child and Forced Labour
Operating Practices		
Aspect B5: Supply Chain Management		
General Disclosure	Policies on managing environmental and social risks of the supply chain.	Supply Chain Management
KPI B5.1	Number of suppliers by geographical region.	Supply Chain Management
KPI B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.	Supply Chain Management – Supplier Management, Open and Fair Procurement
KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	Supply Chain Management – Green Procurement
KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	Supply Chain Management – Green Procurement

Indicators	Subject Areas, Aspects, General Disclosures and KPIs Description	Section and Remarks
Aspect B6: Product Responsibility		
General Disclosure	Information on: (a) The policies; and (b) Compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provides and methods of redress.	Product Responsibility
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Product Responsibility
KPI B6.2	Number of products and service related complaints received and how they are dealt with.	Product Responsibility – Customer Service
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	Product Responsibility – Protection of Intellectual Property Rights
KPI B6.4	Description of quality assurance process and recall procedures.	Product Responsibility
KPI B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	Product Responsibility – Privacy Protection
Aspect B7: Anti-corruption		
General Disclosure	Information on: (a) The policies; and (b) Compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	Anti-corruption
KPI B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the Reporting Period and the outcomes of the cases.	Anti-corruption
KPI B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	Anti-corruption
KPI B7.3	Description of anti-corruption training provided to directors and staff.	Anti-corruption
Community		
Aspect B8: Community Investment		
General Disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities interests.	Community Investment
KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	Community Investment
KPI B8.2	Resources contributed (e.g. money or time) to the focus area.	Community Investment

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF TOMO HOLDINGS LIMITED
Incorporated in the Cayman Islands with limited liability

QUALIFIED OPINION

We have audited the consolidated financial statements of TOMO Holdings Limited (the "Company") and its subsidiaries (hereinafter collectively referred to as the "Group") as set out on pages 74 to 153, which comprise the consolidated statement of financial position as at 31 December 2024, and the consolidated statement of profit or loss and other comprehensive income, 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 and other explanatory information.

In our opinion, except for the possible effects of the matter described in the *Basis for Qualified Opinion* section of our report, 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 International Financial Reporting Standards (the "IFRSs") issued by the International Accounting Standards Board (the "IASB") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

BASIS FOR QUALIFIED OPINION

Insufficient accounting records relating to Ocean Dragon Group and its subsidiary (the "Ocean Dragon Group") as of and for the years ended 31 December 2023 and 31 December 2024

As disclosed in note 19 to the consolidated financial statements, as at 31 December 2023 and 31 December 2024, the Group had a 49% equity interest in Ocean Dragon Group with the investment cost of $6,421,491 which is mainly engaged in the provision of electric charging solutions and was accounted for as associates under the equity method since its acquisition. Due to lack of sufficient books and records of the Ocean Dragon Group to account for the share of results and also to assess the impairment of its investments in Ocean Dragon Group and the Company's concerns over the genuineness of the acquisition of the Ocean Dragon Group in prior years, the Group recognised a loss of $6,421,491 to fully write down the Group's investments in the Ocean Dragon Group which was recorded separately in an item in the consolidated statement of profit or loss and other comprehensive income for the year ended 31 December 2023.

Given the above circumstances on scope limitation, the predecessor independent auditor in its report dated 28 March 2024 stated that they were unable to obtain sufficient appropriate audit evidence in respect of the financial information of Ocean Dragon Group as a set of complete and accurate accounting books and records were not available to them for audit purpose. As a result, they were unable to carry out necessary audit procedures to determine whether the impairment of investments in Ocean Dragon Group of $6,421,491 and share of nil result of associates for the year ended 31 December 2023, the Group's investments in Ocean Dragon Group at nil as at 31 December 2023 and the related disclosures notes in relation to the consolidated financial statements of the Group, have been accurately recorded and properly accounted for in the consolidated financial statements as of and for the year ended 31 December 2023. There were no other satisfactory audit procedures that they could perform to determine whether any adjustments were necessary or might have a consequential effect of the Group's consolidated statement of profit or loss and other comprehensive income, the consolidated statement of financial position, the consolidated statement of changes in equity, and related disclosures thereof for the year ended 31 December 2023.

BASIS FOR QUALIFIED OPINION (CONTINUED)

In view of such circumstances, nether the directors of the Company nor us were able to access sufficient books and records of the Ocean Dragon Group and the financial information which are available and wee retained by the Company were not found to be of a sufficient level for the purposes of audit and thus, we were unable to obtain sufficient appropriate audit evidence to determine whether the share of nil result of associates for the year ended 31 December 2024 and the Group's investments in Ocean Dragon Group at nil as at 31 December 2024 were fairly stated and properly reflected, and the related disclosures notes thereof, and also nil impairment loss on the Group's investments in Ocean Dragon Group was properly charged or credited to the profit or loss for the year ended 31 December 2024 respectively, have been accurately recorded and properly accounted for which were included in the consolidated financial statements of the Company as of and for the year ended 31 December 2024 and as of 1 January 2024. There were no other satisfactory audit procedures that we could perform to determine whether any adjustments were necessary or might have a consequential effect of the Group's consolidated statement of profit or loss and other comprehensive income, the consolidated statement of financial position, the consolidated statement of changes in equity, and related disclosures thereof for the year ended 31 December 2024.

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSAs") issued by the Hong Kong Institute of Certified Public Accountants ("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 qualified 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. In addition to the matter described in the *Basis for Qualified Opinion* section, we have determined the matter described below to be the key audit matter to be communicated in our report.

The key audit matter	How the matter was addressed in our audit
Valuation of investment properties As disclosed in note 15 to the consolidated financial statements, as at 31 December 2024, the carrying amounts of the Group's investment properties located in Singapore amounted to $4,100,000 which were measured at their fair values. Management has engaged an independent external valuation expert to measure the fair values of the investment properties using comparison method. As each property is different on its nature, condition and location, the valuation requires the use of judgement in determining the relevant unobservable inputs including the selling price per square metre applied to the valuation model. We have identified the fair value measurement of the Group's investment properties as a key audit matter because of their significance to the Group's consolidated financial statements as a whole and the involvement of a significant degree of management judgement and estimates.	Our procedures in relation to management's valuation of these properties included, amongst others, the following: • To evaluate the external valuation expert's independence, qualification and competency; • To discuss with the external valuer and management to understand the rationale of the chosen valuation method and the assumptions applied; • To assess the appropriateness of the methodology used and the reasonableness of assumptions applied; and • To compare the data inputs adopted in the valuations, such as recent transaction prices of comparable properties, on a sample basis, to market data.

KEY AUDIT MATTERS (CONTINUED)

The key audit matter	How the matter was addressed in our audit
Provision of expected credit losses ("ECL") for trade receivables As disclosed in note 22 to the consolidated financial statements, as at 31 December 2024, the carrying amount of the Group's trade receivables of the Group, net of allowances amounted to approximately $584,409. The impairment provisions for trade receivables are based on assumptions about ECL. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, bases on the number of days that an individual receivable is outstanding as well as the Group's historical experience and forward-looking information at the end of the reporting period. We identified the estimated provision of ECL for trade and other receivables as a key audit matter due to the significant balance of trade receivables to the consolidated financial statements as a whole and the significant degree of management judgement involved in recognising impairment loss on trade receivables.	Our audit procedures in relation to provision of ECL for trade receivables included, among others, the following: • To understand, evaluate and test the management's key internal control and assessment process of loss allowance for ECL on trade receivables; • To perform recalculation and testing the aging analysis of the trade receivables, on a sample basis, to the supporting evidences; • To assess the reasonableness of management's ECL allowance estimates by examining the information used by management to form such judgments, including testing the accuracy of the historical default data, to evaluate whether the historical loss rates are appropriately adjusted based on current economic conditions and forward-looking information and to examine the actual losses recorded during the current financial year and assessing whether there was an indication of management bias when recognising ECL allowance; and • To assess the adequacy of the related disclosures in the notes to the consolidated financial statements.

OTHER MATTER

The consolidated financial statements of the Group for the year ended 31 December 2023, were audited by another auditor who issued a qualified opinion on those statements on 28 March 2024.

OTHER INFORMATION

The directors of the Company are responsible for the other information. The other information comprises the information included in the annual report 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. As described in the Basis for Qualified Opinion section above, we were unable to obtain sufficient appropriate audit evidence about the investments in associates and its recognised impairment loss. Accordingly, we are unable to conclude whether or not the other information is materially misstated with respect to these matters.

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

The directors of the Company are responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS Accounting Standards as issued by the IASB and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the management 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 of the Company either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

The directors of the company are assisted by the Audit Committee in discharging their responsibility 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. Our report is made 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.

As part of an audit in accordance with HKSAs, we exercise professional judgement and maintain professional scepticism 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 group 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.

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our 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.

The engagement partner on the audit resulting in this independent auditor's report is Lee Yan Fai.

SFAI (HK) CPA Limited
Certified Public Accountants
Lee Yan Fai
Practising Certificate Number: P06078
Hong Kong

28 March 2025

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2024

	Notes	**2024** **$**	2023 $
Revenue	6	**2,830,774**	9,071,257
Cost of sales		**(1,898,241)**	(8,650,862)
Gross profit		**932,533**	420,395
Other income, gains and losses, net	7	**731,259**	603,326
Selling and distribution expenses		**(481,713)**	(505,099)
Administrative expenses		**(3,863,560)**	(4,621,752)
Impairment of investments in associates	19	**–**	(6,421,491)
Finance income	8	**52,802**	117,618
Finance cost on lease liabilities	18	**(1,351)**	(3,188)
Loss before tax	9	**(2,630,030)**	(10,410,191)
Income tax expense	12	**–**	(172,000)
Loss for the year		**(2,630,030)**	(10,582,191)
Loss and total comprehensive expense for the year attributable to owners of the Company		**(2,630,030)**	(10,582,191)
		Singapore cents	Singapore cents
Loss per share attributable to owners of the Company	14		
Basic and diluted		**(0.58)**	(2.35)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2024

	Notes	2024 $	2023 $
NON-CURRENT ASSETS			
Investment properties	15	**4,100,000**	3,740,000
Property, plant and equipment	16	**789,775**	882,168
Intangible assets	17	**434,483**	461,652
Right-of-use assets	18	**6,362**	44,529
Investments in associates	19	**–**	–
Deferred tax assets	20	**–**	–
		5,330,620	5,128,349
CURRENT ASSETS			
Inventories	21	**227,211**	284,821
Trade and other receivables	22	**723,928**	907,279
Cash and cash equivalents	23	**4,928,607**	8,317,344
		5,879,746	9,509,444
CURRENT LIABILITIES			
Trade and other payables	24	**550,351**	1,068,115
Contract liabilities	25	**–**	244,322
Lease liabilities	18	**6,797**	39,676
Tax liabilities		**374**	374
Provision for warranty cost	26	**34,272**	29,907
		591,794	1,382,394
NET CURRENT ASSETS		**5,287,952**	8,127,050
TOTAL ASSETS LESS CURRENT LIABILITIES		**10,618,572**	13,255,399
NON-CURRENT LIABILITY			
Lease liabilities	18	**–**	6,797
NET ASSETS		**10,618,572**	13,248,602

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2024

	Notes	2024 $	2023 $
CAPITAL AND RESERVES			
Share capital	27	**793,357**	793,357
Reserves		**9,825,215**	12,455,245
TOTAL EQUITY		**10,618,572**	13,248,602

The consolidated financial statements from pages 74 to 153 were approved and authorised for issue by the board of directors on 28 March 2025:

Mr. Lu Yong De	**Mr. Tsang Chun Ho Anthony**
Director	*Director*

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2024

	Share capital $	Share premium* $	Other reserve* $ (note below)	Accumulated losses* $	Total $
At 1 January 2023	793,357	12,398,264	200,000	10,439,172	23,830,793
Loss and total comprehensive expense for the year	–	–	–	(10,582,191)	(10,582,191)
At 31 December 2023	793,357	12,398,264	200,000	(143,019)	13,248,602
Loss and total comprehensive expense for the year	–	–	–	(2,630,030)	(2,630,030)
At 31 December 2024	**793,357**	**12,398,264**	**200,000**	**(2,773,049)**	**10,618,572**

* The amounts comprise the consolidated reserves of approximately $9,825,215 (2023: $12,455,245) in the consolidated statement of financial position.

Note: The other reserve represents the difference between the nominal value of the shares issued and the net asset value of the subsidiaries of the Company upon the reorganisation in 2017.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 December 2024

	2024 $	2023 $
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before tax	**(2,630,030)**	(10,410,191)
Adjustments for:		
Amortisation of intangible assets	**27,169**	14,408
Depreciation of property, plant and equipment	**128,401**	136,903
Depreciation of right-of-use assets	**38,167**	38,167
Gain on disposal of property, plant and equipment	**(7,798)**	–
Fair value gain on investment properties	**(360,000)**	(440,000)
Write-off of inventories	**46,848**	31,435
Write-off of other receivables	**116,120**	–
Provision for warranty cost	**30,546**	79,361
Finance income	**(52,802)**	(117,618)
Finance cost on lease liabilities	**1,351**	3,188
Impairment of investments in associates	**–**	6,421,491
Operating cash flows before movements in working capital	**(2,662,028)**	(4,242,856)
Changes in inventories	**10,762**	313,489
Changes in trade and other receivables	**67,231**	333,344
Changes in trade and other payables and provision for warranty cost	**(543,945)**	768,137
Changes in contract liabilities	**(244,322)**	(566,228)
Cash used in operations	**(3,372,302)**	(3,394,114)
Income tax paid	**–**	–
NET CASH USED IN OPERATING ACTIVITIES	**(3,372,302)**	(3,394,114)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant equipment	**(36,008)**	–
Purchase of intangible assets	**–**	(381,000)
Proceeds from disposal of property, plant and equipment	**7,798**	–
Interest received	**52,802**	117,618
Proceeds from redemption of financial assets at fair value through profit or loss	**–**	5,000,000
NET CASH FROM INVESTING ACTIVITIES	**24,592**	4,736,618
CASH FLOWS FROM FINANCING ACTIVITIES		
Principal element of lease payment	**(39,676)**	(37,839)
Interest element of lease payment	**(1,351)**	(3,188)
NET CASH USED IN FINANCING ACTIVITIES	**(41,027)**	(41,027)
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	**(3,388,737)**	1,301,477
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	**8,317,344**	7,015,867
CASH AND CASH EQUIVALENTS AT END OF THE YEAR, represented by cash and cash equivalents	**4,928,607**	8,317,344

1. GENERAL INFORMATION

TOMO Holdings Limited ("the Company") was incorporated in the Cayman Islands on 16 January 2017 as an exempted company with limited liability under Companies Act (as revised) of the Cayman Islands and its shares are listed on the Stock Exchange of Hong Kong Limited (the "Stoch Exchange"). The addresses of the registered office and principal place of business of the Company are disclosed in the Corporate Information section to the annual report. The directors of the Company consider that ultimate beneficial owner and immediate holding of the Company are Mr. Lu Yongde and Billion Legend Company Limited, respectively.

The Company is an investment holding company. The Company and its subsidiaries (the "Group") are principally engaged in the (i) sales and installation of passenger vehicle leather upholstery and electronic accessories; and (ii) sales of electronic accessories, automotive parts and motor vehicle.

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

2. APPLICATION OF NEW AND AMENDMENTS TO INTERNATIONAL FINANCIAL REPORTING STANDARDS ("IFRSs")

Amendments to IFRSs that are mandatorily effective for the current year

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

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

The directors of the Company consider that the application of the new and amendments to IFRSs in the current year has had no material impact on the Group's financial performance and positions for the current and prior periods and/or on the disclosures set out in these consolidated financial statements.

2. APPLICATION OF NEW AND AMENDMENTS TO INTERNATIONAL FINANCIAL REPORTING STANDARDS ("IFRSs") (CONTINUED)

New and amendments to IFRSs issued but not yet effective

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

Amendments to IFRS 9 and IFRS 7	*Amendments to the Classification and Measurement of Financial Instruments*[3]
Amendments to IFRS 10 and IAS 28	*Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*[1]
Amendments to IFRS Accounting Standards	*Annual Improvements to IFRS Accounting Standards – Volume 11*[3]
Amendments to IAS 21	*Lack of Exchangeability*[2]
IFRS 18	*Presentation and Disclosure in Financial Statements*[4]

1 Effective for annual periods beginning on or after a date to be determined.
2 Effective for annual periods beginning on or after 1 January 2025.
3 Effective for annual periods beginning on or after 1 January 2026.
4 Effective for annual periods beginning on or after 1 January 2027.

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

IFRS 18 Presentation and Disclosure in Financial Statements

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

IFRS 18, and amendments to other standards, will be effective for annual periods beginning on or after 1 January 2027, with early application permitted. The application of IFRS 18 is expected to affect the presentation of the statement of profit or loss and disclosures in the future financial statements but has no impact on the Group's financial positions and performance. The Group is in the process of assessing the detailed impact of IFRS 18 on the Group's consolidated financial statements.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION

3.1 Basic of preparation of consolidated financial statements

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

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

The consolidated financial statements have been prepared on the historical cost basis at the end of each reporting period, as explained in the accounting policies set out below, except for investment properties and financial instruments that are measured at fair values.

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 estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of IFRS 2 *Share-based Payment*, leasing transactions that are accounted for in accordance with IFRS 16 *Leases*, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in IAS 2 *Inventories* or value in use in IAS 36 *Impairment of Assets*.

- 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. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

3.2 Material accounting policy information

Basis of consolidation

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

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

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

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

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, an investment in a subsidiary is stated at cost less impairment losses.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

3.2 Material accounting policy information (Continued)

Changes in the Group's interests in existing subsidiaries

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

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

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

Business combinations or asset acquisitions

Optional concentration test

The Group can elect to apply an optional concentration test, on a transaction-by-transaction basis, that permits a simplified assessment of whether an acquired set of activities and assets is not a business. The concentration test is met if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets. The gross assets under assessment exclude cash and cash equivalents, deferred tax assets, and goodwill resulting from the effects of deferred tax liabilities. If the concentration test is met, the set of activities and assets is determined not to be a business and no further assessment is needed.

Asset acquisitions

When the Group acquires a group of assets and liabilities that do not constitute a business, the Group identifies and recognises the individual identifiable assets acquired and liabilities assumed by allocating the purchase price first to investment properties which are subsequently measured under fair value model and financial assets/financial liabilities at the respective fair values, the remaining balance of the purchase price is then allocated to the other identifiable assets and liabilities on the basis of their relative fair values at the date of purchase. Such a transaction does not give rise to goodwill or bargain purchase gain.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

3.2 Material accounting policy information (Continued)

Business combinations or asset acquisitions (Continued)

Business combinations

A business is an integrated set of activities and assets which includes an input and a substantive process that together significantly contribute to the ability to create outputs. The acquired processes are considered substantive if they are critical to the ability to continue producing outputs, including an organised workforce with the necessary skills, knowledge, or experience to perform the related processes or they significantly contribute to the ability to continue producing outputs and are considered unique or scarce or cannot be replaced without significant cost, effort, or delay in the ability to continue producing outputs.

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are generally recognised in profit or loss as incurred.

The identifiable assets acquired and liabilities assumed must meet the definitions of an asset and a liability in the Conceptual Framework for Financial Reporting 2018 issued in June 2018 (the "Conceptual Framework") except for transactions and events within the scope of IAS 37 *Provision, Contingent Liabilities and Contingent Assets*, in which the Group applies IAS 37 *Provision, Contingent Liabilities and Contingent Assets* instead of the Conceptual Framework to identify the liabilities it has assumed in a business combination. Contingent assets are not recognised.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value, except that:

- deferred tax assets or liabilities, and assets or liabilities related to employee benefit arrangements, are recognised and measured in accordance with IAS 12 *Income Taxes* and IAS 19 *Employee Benefits*, respectively;

- liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with IFRS 2 *Inventories* at the acquisition date (see the accounting policy below);

- assets (or disposal groups) that are classified as held for sale in accordance with IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations* are measured in accordance with that standard; and

- lease liabilities are recognised and measured at the present value of the remaining lease payments (as defined in IFRS 16 *Leases*) as if the acquired leases were new leases at the acquisition date. Right-of-use assets are recognised and measured at the same amount as the relevant lease liabilities, adjusted to reflect favourable or unfavourable terms of the lease when compared with market terms.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

3.2 Material accounting policy information (Continued)

Business combinations or asset acquisitions (Continued)

Business combinations (Continued)

When a business combination is achieved in stages, the Group's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date (i.e. the date when the Group obtains control), and the resulting gain or loss, if any, is recognised in profit or loss or other comprehensive income, as appropriate. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income and measured under IFRS 9 *Financial Instruments* would be accounted for on the same basis as would be required if the Group had disposed directly of the previously held equity interest.

Investments in associates

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

The results and assets and liabilities of associates are incorporated in these consolidated financial statements using the equity method of accounting. The financial statements of associates used for equity accounting purposes are prepared using uniform accounting policies as those of the Group for like transactions and events in similar circumstances. Under the equity method, an investment in an associate is initially recognised in the consolidated statement of financial position at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associate. When the Group's share of losses of an associate exceeds the Group's interest in that associate (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate.

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

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

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

3.2 Material accounting policy information (Continued)

Investments in associates (Continued)

When the Group ceases to have significant influence over an associate, it is accounted for as a disposal of the entire interest in the investee with a resulting gain or loss being recognised in profit or loss. When the Group retains an interest in the former associate and the retained interest is a financial asset within the scope of IFRS 9 *Financial Instruments*, the Group measures the retained interest at fair value at that date and the fair value is regarded as its fair value on initial recognition. The difference between the carrying amount of the associate and the fair value of any retained interest and any proceeds from disposing of the relevant interest in the associate is included in the determination of the gain or loss on disposal of the associate. In addition, the Group accounts for all amounts previously recognised in other comprehensive income in relation to that associate on the same basis as would be required if that associate had directly disposed of the related assets or liabilities. Therefore, if a gain or loss previously recognised in other comprehensive income by that associate would be reclassified to profit or loss on the disposal of the related assets or liabilities, the Group reclassifies the gain or loss from equity to profit or loss (as a reclassification adjustment) upon disposal/partial disposal of the relevant associate.

When a group entity transacts with an associate of the Group, profits and losses resulting from the transactions with the associate are recognised in the consolidated financial statements only to the extent of interests in the associate that are not related to the Group.

Revenue from contracts with customers

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 or enhances an asset that the customer controls as the Group performs; or

- the Group's performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

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

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

3.2 Material accounting policy information (Continued)

Revenue from contracts with customers (Continued)

Contract asset and contract liability

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 *Financial Instruments*. 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.

Principal versus agent

When another party is involved in providing goods or services to a customer, the Group determines whether the nature of its promise is a performance obligation to provide the specified goods or services itself (i.e. the Group as a principal) or to arrange for those goods or services to be provided by the other party (i.e. the Group as an agent).

The Group is a principal if it controls the specified good before that good is transferred to a customer.

The Group is an agent if its performance obligation is to arrange for the provision of the specified good or service by another party. In this case, the Group does not control the specified good or service provided by another party before that good or service is transferred to the customer. When the Group acts as an agent, it recognises revenue in the amount of any fee or commission to which it expects to be entitled in exchange for arranging for the specified goods or services to be provided by the other party.

Further information about the Group's accounting policies relating to revenue from contracts with customers is provided in note 6 to the consolidated financial statements.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

3.2 Material accounting policy information (Continued)

Leases

The Group assesses whether a contract is or contains a lease based on the definition under IFRS 16 *Leases* at inception of the contract. Such contract will not be reassessed unless the terms and conditions of the contract are subsequently changed.

Definition of a lease

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

For contracts entered into or modified 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 *Leases* at inception, modification date or acquisition date, as appropriate. Such contract will not be reassessed unless the terms and conditions of the contract are subsequently changed.

The Group as lessee

Allocation of consideration to components of a contract

For a contract that contains a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

Non-lease components are separated from lease component and are accounted for by applying other applicable standards.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

3.2 Material accounting policy information (Continued)

Leases (Continued)

The Group as lessee (Continued)

Short-term leases and leases of low-value assets

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

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.

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 are depreciated from commencement date to the end of the useful life. Otherwise, right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term.

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

Refundable rental deposits

Refundable rental deposits paid are accounted under IFRS 9 *Financial Instruments* 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. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

3.2 Material accounting policy information (Continued)

Leases (Continued)

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

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

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

- the lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the related lease liability is remeasured by discounting the revised lease payments using a revised discount rate at the date of reassessment.
- the lease payments change due to changes in market rental rates following a market rent review, in which cases the related lease liability is remeasured by discounting the revised lease payments using the initial discount rate.
- a lease contract is modified and the lease modification is not accounted for as a separate lease (see below for the accounting policy for "lease modifications").

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

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

3.2 Material accounting policy information (Continued)

Leases (Continued)

The Group as lessee (Continued)

Lease modifications

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

- the modification increases the scope of the lease by adding the right to use one or more underlying assets; and

- the consideration for the leases increases by an amount commensurate with the stand-alone price for the increase in scope and any appropriate adjustments to that stand-alone price to reflect the circumstances of the particular contract.

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

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

The Group as a lessor

Classification and measurement of leases

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

Rental income from operating leases is recognised in profit or loss on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset, and such costs are recognised as an expense on a straight-line basis over the lease term except for investment properties measured under fair value model.

Refundable rental deposits

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

Lease modification

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

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

3.2 Material accounting policy information (Continued)

Leases (Continued)

The Group as a lessor (Continued)

Operating leases

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

Foreign currencies

In preparing the financial statements of each individual group entity, transactions in currencies other than the functional currency of that entity (foreign currencies) are recognised at the rates of exchanges prevailing on the dates of the transactions. At the end of the reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

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

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 (i.e. Singapore dollars) using exchange rates prevailing at the end of each reporting period. Income and expenses items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during the period, in which case, the exchange rates prevailing at the dates of transactions are used. Exchanges differences arising, if any, are recognised in other comprehensive income and accumulated in equity.

On the disposal of a foreign operation (that is, a disposal of the Group's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation, or a partial disposal of an interest in a joint arrangement or an associate that includes a foreign operation of which the retained interest becomes a financial asset), all of the exchange differences accumulated in equity in respect of that operation attributable to the owners of the Company are reclassified to profit or loss.

Borrowing costs

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

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

3.2 Material accounting policy information (Continued)

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 are recognised when the grant is received.

Employee benefits

Defined contribution plans

Defined contribution plans are post-employment benefit plans under which the Group pays fixed contributions into separate entities such as the Central Provident Fund, and will have no legal or constructive obligation to pay further contributions if any of the funds do not hold sufficient assets to pay all employee benefits relating to employee services in the current and preceding financial years. The Group's contributions to defined contribution plans are recognised in the financial year to which they relate.

Employee leave entitlements

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

Taxation

Income tax expense represents the sum of current and deferred income tax expense.

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

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

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

3.2 Material accounting policy information (Continued)

Taxation (Continued)

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

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

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

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

For the purposes of measuring deferred tax for investment properties that are measured using the fair value model, the carrying amounts of such properties are presumed to be recovered entirely through sale, unless the presumption is rebutted. The presumption is rebutted when the investment property is depreciable and is held within a business model whose objective is to consume substantially all of the economic benefits embodied in the investment property over time, rather than through sale, except for freehold land, which is always presumed to be recovered entirely through sale.

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

For leasing transactions in which the tax deductions are attributable to the lease liabilities, the Group applies IAS 12 *Income Taxes* requirements to the lease liabilities, and the related assets 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 difference can be utilised and a deferred tax liability for all taxable temporary differences.

Current and deferred tax are recognised in profit or loss.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

3.2 Material accounting policy information (Continued)

Sales tax

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

- where the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the sales tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and

- receivables and payables that are stated with the amount of sales tax included. The net amount of sales tax recoverable from, or payable to.

Property, plant and equipment

Property, plant and equipment are tangible assets that are held for use in the production or supply of goods or services, or for administrative purposes. Property, plant and equipment are stated in the consolidated statement of financial position at cost less subsequent accumulated depreciation and subsequent accumulated impairment losses, if any.

When the Group makes payments for ownership interests of properties which includes both leasehold land and building elements, the entire consideration is allocated between the leasehold land and the building elements in proportion to the relative fair values at initial recognition. To the extent the allocation of the relevant payments can be made reliably, interest in leasehold land is presented as "right-of-use assets" in the consolidated statement of financial position, except for those that are classified and accounted for as investments properties under the fair value model. When the consideration cannot be allocated reliably between non-lease building element and undivided interest in the underlying leasehold land, the entire properties are classified as property, plant and equipment.

If a property becomes an investment property because its use has changed as evidenced by end of owner occupation, any difference between the carrying amount and the fair value of that item (including the relevant leasehold land classified as right-of-use assets) at the date of transfer is recognised in other comprehensive income and accumulated in revaluation reserve. On the subsequent sale or retirement of the property, the relevant revaluation reserve will be transferred directly to retained profits.

Depreciation is recognised so as to write off the cost of assets 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.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

3.2 Material accounting policy information (Continued)

Investment properties

Investment properties are properties held to earn rentals and/or for capital appreciation.

Investment properties are initially measured at cost, including any directly attributable expenditure. Subsequent to initial recognition, investment properties are measured at their fair values, adjusted to exclude any prepaid or accrued operating lease income.

Gains or losses arising from changes in the fair value of investment properties are included in profit or loss for the period in which they arise.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from its disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is derecognised.

If a property becomes an owner-occupied property because its use has been changed as evidenced by commencement of owner-occupation, the fair value of the property at the date of change in use is considered as the deemed cost for subsequent accounting.

Intangible asset

Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at costs less accumulated amortisation and any accumulated impairment losses/revalued amounts, being their fair value at the date of the revaluation less subsequent accumulated amortisation and any accumulated impairment losses. Amortisation for intangible assets with finite useful lives is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less any subsequent accumulated impairment losses.

Club membership

Club membership is measured initially at cost. Following initial recognition, intangible assets are measured at cost less any accumulated amortisation and accumulated impairment losses.

Club membership with finite useful lives is amortised over the estimated useful lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method are reviewed at least at each statement of financial position date.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

3.2 Material accounting policy information (Continued)

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

At the end of the reporting period, the Group reviews the carrying amounts of its property, plant and equipment, right-of-use assets and intangible assets to determine whether there is any indication that these assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the relevant asset is estimated in order to determine the extent of the impairment loss (if any).

The recoverable amount of property, plant and equipment, right-of-use assets and intangible assets is estimated individually. When it is not possible to estimate the recoverable amount individually, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

In testing a cash-generating unit for impairment, corporate assets are allocated to the relevant cash-generating unit 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 cash-generating unit or group of cash-generating units to which the corporate asset belongs, and is compared with the carrying amount of the relevant cash-generating unit or group of cash-generating units.

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 (or a cash-generating unit) for which the estimates of future cash flows have not been adjusted.

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 unit, 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 cash-generating unit or a group of cash-generating units) 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 cash-generating unit or a group of cash-generating units) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

3.2 Material accounting policy information (Continued)

Cash and cash equivalents

Cash and cash equivalents presented on the consolidated statement of financial position include:

(a) cash, which comprises of cash on hand and demand deposits, excluding bank balances that are subject to regulatory restrictions that result in such balances no longer meeting the definition of cash; and

(b) cash equivalents, which comprises of short-term (generally with original maturity of three months or less), highly liquid investments that are readily convertible to a known amount of cash and which are subject to an insignificant risk of changes in value. Cash equivalents are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes.

For the purposes of the consolidated statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts which are repayable on demand and form an integral part of the Group's cash management. Such overdrafts are presented as short-term borrowings in the consolidated statement of financial position.

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. Costs necessary to make the sale include incremental costs directly attributable to the sale and non-incremental costs which the Group must incur to make the sale.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

3.2 Material accounting policy information (Continued)

Provisions

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

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

Provisions for the expected cost of assurance-type warranty obligations under the relevant contracts with customers for sales of goods are recognised at the date of sale of the relevant products, at the directors' best estimate of the expenditure required to settle the Group's obligation.

Provision for warranty cost

Provision for warranty cost is recognised when the Group has a present legal or constructive obligation as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated.

The Group recognises the estimated liability to repair or replace products still under warranty at the balance sheet date. This provision is calculated based on historical experience of the level of repairs and replacements.

Contingent liabilities

A contingent liability is a present obligation arising from past events but is not recognised because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability.

Where the Group is jointly and severally liable for an obligation, the part of the obligation that is expected to be met by other parties is treated as a contingent liability and it is not recognised in the consolidated financial statements.

The Group assesses continually to determine whether an outflow of resources embodying economic benefits has become probable. If it becomes probable that an outflow of future economic benefits will be required for an item previously dealt with as a contingent liability, a provision is recognised in the consolidated financial statements in the reporting period in which the change in probability occurs, except in the extremely rare circumstances where no reliable estimate can be made.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

3.2 Material accounting policy information (Continued)

Financial instruments

Financial assets and financial liabilities are recognised when a group entity becomes a party to the contractual provisions of the instrument. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date 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.

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

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

Interest income is recognised in profit or loss and is included in the finance income.

Financial assets

Classification and subsequent measurement of financial assets

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

- the financial asset is held within a business model whose objective is to collect contractual cash flows; and

- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All other financial assets are subsequently measured at FVTPL.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

3.2 Material accounting policy information (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Classification and subsequent measurement of financial assets (Continued)

A financial asset is held for trading if:

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

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

(i) Amortised cost and interest income

Interest income is recognised using the effective interest method for debt instruments 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.

(ii) Financial assets at FVTPL

Financial assets that do not meet the criteria for being measured at amortised cost.

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, gains and losses, net" line item.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

3.2 Material accounting policy information (Continued)

Financial instruments (Continued)

Impairment of financial assets subject to impairment assessment under IFRS 9 Financial Instruments

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

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

The Group always recognises lifetime ECL for trade receivables. The expected credit losses on these financial assets are estimated using a provision matrix 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 as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

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

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

3.2 Material accounting policy information (Continued)

Financial instruments (Continued)

Impairment of financial assets subject to impairment assessment under IFRS 9 Financial Instruments (Continued)

(i) Significant increase in credit risk

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

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

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

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

Despite the foregoing, the Group assumes that the credit risk on a debt instrument has not increased significantly since initial recognition if the debt instrument is determined to have low credit risk at the reporting date. A debt instrument is determined to have low credit risk if (i) it has a low risk of default; (ii) the borrower 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 considers a debt instrument to have low credit risk when it has an internal or external credit rating of "investment grade" as per globally understood definitions.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

3.2 Material accounting policy information (Continued)

Financial instruments (Continued)

Impairment of financial assets subject to impairment assessment under IFRS 9 Financial Instruments (Continued)

(i) Significant increase in credit risk (Continued)

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.

(ii) Definition of default

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

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

(iii) Credit-impaired financial assets

A financial asset is credit-impaired when one or more events 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:

- significant financial difficulty of the issuer or the borrower;
- a breach of contract, such as a default or past due event;
- 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; or
- it is becoming probable that the borrower will enter bankruptcy or other financial reorganization.

(iv) Write-off policy

The Group writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, 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.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

3.2 Material accounting policy information (Continued)

Financial instruments (Continued)

Impairment of financial assets subject to impairment assessment under IFRS 9 Financial Instruments (Continued)

(v) 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 and forward-looking information. Estimation of ECL reflects an unbiased and probability-weighted amount that is determined with the respective risks of default occurring as the weights.

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 certain trade receivables are considered on a collective basis taking into consideration past due information and relevant credit information such as forward-looking macroeconomic information.

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

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

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

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

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

3.2 Material accounting policy information (Continued)

Financial instruments (Continued)

Impairment of financial assets subject to impairment assessment under IFRS 9 Financial Instruments (Continued)

Foreign exchange gains and losses

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

- For financial assets measured at amortised cost that are not part of a designated hedging relationship, exchange differences are recognised in profit or loss in the 'Other income, other gains and losses, net' line item as part of the foreign exchange gains/(losses), net;

- For financial assets measured at FVTPL that are not part of a designated hedging relationship, exchange differences are recognised in profit or loss in the 'Other income, gains and losses, net'.

Derecognition of financial assets

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

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

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

3.2 Material accounting policy information (Continued)

Financial instruments (Continued)

Financial liabilities and equity

Classification as debt or equity

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

Equity instruments

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

Financial liabilities

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

Financial liabilities at amortised cost

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

Foreign exchange gains and losses

- For financial liabilities that are denominated in a foreign currency and are measured at amortised cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortised cost of the instruments. These foreign exchange gains and losses are recognised in the 'Other income. other gains and losses, net' line item in profit or loss as part of foreign exchange gains/(losses), net for financial liabilities that are not part of a designated hedging relationship.

- The fair value of financial liabilities denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

3.2 Material accounting policy information (Continued)

Financial instruments (Continued)

Financial liabilities and equity (Continued)

Derecognition of financial liabilities

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

Offsetting a financial asset and a financial liability

A financial asset and a financial liability are offset and the net amount presented in the consolidated statement of financial position when, and only when, the Group currently has a legally enforceable right to set off the recognised amounts; and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Share capital and dividends

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

Dividend distribution to the Company's equity owners is recognised as a liability in the Group's financial statements in the period in which the dividends are approved by the Company's shareholders or directors, where appropriate.

Trade and other payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade and other payables are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business, if longer). If not, they are presented as non-current liabilities.

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

Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker (the "CODM"). The CODM, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the executive directors that make strategic decisions.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

3.2 Material accounting policy information (Continued)

Related parties

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

(i) A person, or a close member of that person's family, is related to the Group if that person:

(1) has control or joint control over the Group;

(2) has significant influence over the Group;

(3) is a member of the key management personnel of the Group or the Group's parent.

(ii) An entity is related to the Group if any of the following conditions applies:

(1) The entity and the group are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).

(2) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).

(3) Both entities are joint ventures of the same third party.

(4) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.

(5) The entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group.

(6) The entity is controlled or jointly controlled by a person identified in (i) above.

(7) A person identified in (i)(1) above has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

(8) The entity, or any member of a Group of which it is a part, provides key management personnel services to the group or to the Group's parent.

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

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in note 3.2, the directors of the Company are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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

Key sources of estimation uncertainty

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

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

Property, plant and equipment, intangible assets 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, the Group estimates the recoverable amount of the cash-generating unit to which the assets belong.

Changing the assumptions and estimates, including the discount rates or the growth rate in the cash flow projections, could materially affect the recoverable amounts.

As at 31 December 2024 and 31 December 2023, details of the Group's property, plant and equipment, intangible assets and right-of-use assets are set out in notes 16, 17 and 18, respectively.

Fair value of investment properties

The fair values of investment properties of the Group are determined by an independent valuer on an open market for existing use basis with reference to comparable market transactions. In making the judgement, the valuer considers information from current prices in an active market for properties of different nature, condition or location (or subject to different lease or other contracts), adjusted to reflect those differences.

As at 31 December 2024 and 31 December 2023, details of the principal assumptions used for estimating the fair value of the investment properties and the Group's investment properties are set out in note 15.

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONTINUED)

Key sources of estimation uncertainty (Continued)

Impairment of trade and other receivables

The impairment provisions for trade and other receivables are based on assumptions about ECL. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, bases on the number of days that an individual receivable is outstanding as well as the Group's historical experience and forward-looking information at the end of the reporting period. Changes in these assumptions and estimates could materially affect the result of the assessment and it may be necessary to make additional impairment charge to the consolidated statement of profit or loss and other comprehensive income.

As at 31 December 2024 and 31 December 2023, details of the principal assumptions used for estimating for the impairment of trade and other receivables and the Group's trade and other receivables are set out in notes 30(b)(ii)(1) and 22, respectively.

Deferred income tax

The Group's management determines the amount of deferred tax asset to be recognised by estimating the amount of future profit available to utilise the tax losses or certain temporary differences in the relevant tax jurisdiction and entity. The estimate is based on the projected profit in respective jurisdiction and entity and the Group uses its judgement to make assumptions that are mainly based on market conditions existing on the statement of financial position date. It could change as a result of the uncertainties in the market conditions.

As at 31 December 2024 and 31 December 2023, details of the Group's deferred income tax are set out in note 20.

Provision for warranty cost

The Group provides 12 to 36 months warranties on certain products and undertakes to repair or replace items that fail to perform satisfactorily. A provision is recognised at the statement of financial position date for expected warranty claims based on current sales levels and past experience of the level of repairs and returns.

As at 31 December 2024 and 31 December 2023, details of the Group's provision of warrants are set out in note 26.

5. SEGMENT INFORMATION

The chief operating decision-maker (i.e. "CODM") has been identified as the executive directors of the Company's board of directors. The executive directors review the performance of the Group's operations mainly from a business operation perspective.

The Group is organised into three main business segments, namely:

(i) Passenger Vehicle Leather Upholstery segment;

(ii) Passenger Vehicle Electronic Accessories segment; and

(iii) Automotive Parts and Motor Vehicle Business includes: (a) The passenger vehicle leather upholstery segment mainly represents the business of supplying and installing passenger vehicle leather upholstery to passenger vehicle distributors and dealers; and (b) The passenger vehicle electronic accessories segment mainly represents the business of supplying and installing passenger vehicle electronic accessories to passenger vehicle distributors and dealers.

The Automotive Parts and Motor Vehicle segment mainly represents the business of supplying automotive parts and motor vehicle to passenger vehicle distributors and dealers. Those passenger vehicle distributors and dealers are mainly located in Singapore and Hong Kong.

The accounting policies of the business segments are the same as the Group's accounting policies described in note 3.2.

Segment performance is evaluated based on reportable segment results, which is a measure of adjusted profit/loss before tax. The adjusted profit/loss before tax is measured consistently with the Group's profit/loss before tax except that interest income, interest expenses, inter-segment transactions as well as head office and corporate expenses are excluded from such measurement.

The amounts provided to the management with respect to total assets are measured in a manner consistent with that of the financial statements. Management monitors the assets attributable to each segment for the purposes of monitoring segment performance and for allocating resources between segments. All assets are allocated to reportable segments other than cash and cash equivalents, intangible asset, investment properties, financial assets at fair value through profit or loss and investment in associates which are classified as unallocated assets. Property, plant and equipment and right-of use assets are allocated as allocated and unallocated assets based on the usage of these assets by segment.

The amounts provided to management with respect total liabilities are measured in a manner consistent with that of the financial statements. All liabilities are allocated to the reportable segments based on the operations of the segments other than other payables and accruals, provision, current income tax liabilities and deferred tax liability which are classified as unallocated liabilities. Lease liabilities is allocated proportionately in both allocated and unallocated liabilities based on the liabilities incurred by segment.

5. SEGMENT INFORMATION (CONTINUED)

(a) Segment revenue, results, assets and liabilities

Segment revenue and results

	Passenger Vehicle Leather Upholstery		Passenger Vehicle Electronic Accessories		Automotive Parts and Motor Vehicles		Total	
	2024 $	2023 $	**2024 $**	2023 $	**2024 $**	2023 $	**2024 $**	2023 $
Revenue								
Sales and installation of goods	**515,357**	515,021	**2,071,094**	1,577,178	**-**	–	**2,586,451**	2,092,199
Sales of goods	**-**	–	**-**	8,933	**244,323**	6,970,125	**244,323**	6,979,058
Total segment revenue	**515,357**	515,021	**2,071,094**	1,586,111	**244,323**	6,970,125	**2,830,774**	9,071,257
Segment loss	**(564,166)**	(250,484)	**(2,267,639)**	(771,295)	**(13,068)**	(3,388,143)	**(2,844,873)**	(4,409,922)
Write-off of other receivables	**-**	–	**-**	–	**(116,120)**	–	**(116,120)**	–
Depreciation of property, plant and equipment	**(20,762)**	(2,297)	**(23,738)**	(7,073)	**-**	(31,072)	**(44,500)**	(40,442)
Depreciation of right-of-use assets	**(30,534)**	(30,534)	**-**	–	**-**	–	**(30,534)**	(30,534)
Unallocated income and expenses:								
Amortisation of intangible assets							**(27,169)**	(14,408)
Depreciation of property, plant and equipment							**(83,901)**	(96,461)
Depreciation of right-of-use assets							**(7,633)**	(7,633)
Fair value gain on investment properties							**360,000**	440,000
Rental income from investment properties							**164,700**	170,700
Impairment of investments in associates							**-**	(6,421,491)
Loss before tax							**(2,630,030)**	(10,410,191)

5. SEGMENT INFORMATION (CONTINUED)

(a) Segment revenue, results, assets and liabilities (Continued)

Segment assets and liabilities

	Passenger Vehicle Leather Upholstery		Passenger Vehicle Electronic Accessories		Automotive Parts and Motor Vehicles		Total	
	2024	2023	**2024**	2023	**2024**	2023	**2024**	2023
	$	$	**$**	$	**$**	$	**$**	$
Segment assets	**188,886**	127,957	**676,882**	462,602	**40,870**	312,960	**906,638**	903,519
Unallocated assets:								
Cash and cash equivalents							**4,928,607**	8,317,344
Other receivables							**105,931**	393,165
Investment properties							**4,100,000**	3,740,000
Property, plant and equipment							**733,435**	813,207
Intangible assets							**434,483**	461,652
Right-of-use assets							**1,272**	8,906
Total assets							**11,210,366**	14,637,793
Segment liabilities	**63,146**	107,995	**8,419**	9,626	**11,050**	244,322	**82,615**	361,943
Unallocated liabilities:								
Other payables and accruals							**507,446**	1,017,580
Tax liabilities							**374**	374
Lease liabilities							**1,359**	9,294
Total liabilities							**591,794**	1,389,191

5. SEGMENT INFORMATION (CONTINUED)

(b) Geographical information

An analysis of revenue from external customers by geographical area is set out below:

	2024 $	2023 $
Hong Kong	–	672,725
Singapore	2,830,774	8,398,532
	2,830,774	9,071,257

An analysis of the non-current assets of the Group which were all located in Singapore is set out below:

	2024 $	2023 $
Investment properties	4,100,000	3,740,000
Property, plant and equipment	789,775	882,168
Intangible assets	434,483	461,652
Right-of-use assets	6,362	44,529
	5,330,620	5,128,349

(c) Information about major customers

Revenue is derived from 2 (2023: 2) external customers who individually contributed 10% or more of the Group's revenue and are attributable to the segments as detailed below:

	Attributable segments	2024 $	2023 $
Customer 1	Passenger Vehicle Leather Upholstery and Passenger Vehicle Electronic Accessories	1,631,800	1,691,214
Customer 2	Automotive Parts and Motor Vehicle	439,496	6,306,770
		2,071,296	7,997,984

6. REVENUE

The Group is principally engaged in the (i) sales and installation of passenger vehicle leather upholstery and electronic accessories; and (ii) sales of electronic accessories, automotive parts and motor vehicle.

Revenue represents income from the sales and trading of goods and the provision of services rendered by the Group, net of returns, discounts allowed or sales taxes:

(a) Disaggregation of revenue from contracts with customers

(i) The Group derives revenue from the transfer of goods and services by categorise of major product lines and business.

	2024 **$**	2023 $
Revenue from contracts with customers by category within the scope of IFRS 15		
Sales and installation of goods		
– Leather upholstery	**515,357**	515,021
– Electronic accessories	**2,071,094**	1,577,178
	2,586,451	2,092,199
Sales of goods		
– Electronic accessories	**–**	8,933
– Automotive parts and motor vehicle	**244,323**	6,970,125
	244,323	6,979,058
	2,830,774	9,071,257

6. REVENUE (CONTINUED)

(a) Disaggregation of revenue from contracts with customers (Continued)

(ii) The Group derives revenue from the transfer of goods and services by timing of revenue recognition.

	2024 **$**	2023 $
Revenue from contracts with customers by category within the scope of IFRS 15 – At point in time	**2,830,774**	9,071,257

(iii) The Group derives revenue from the transfer of goods and services by geographical markets.

Information about the Group derives revenue from the Group's Continuing Operations and Discontinued Operation regarding the transfer of goods and services by geographical markets is set out in note 5(b).

(b) Contract balances

	Notes	**As at 31 December** **2024** **$**	2023 $	As at 1 January 2023 $
Trade receivable	22	**448,686**	257,360	93,449
Unbilled revenue	22	**135,723**	207,646	48,775
		584,409	465,006	142,224
Contract liabilities	25	**–**	244,322	810,550

Details of the Group's trade receivables, unbilled revenue and contract liabilities are set out in respective notes.

6. REVENUE (CONTINUED)

(c) Performance obligations for contracts with customers and revenue recognition policies

The Group recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and when specific criteria have been met for each of the Group's activities.

The Group's performance obligations for contracts with customers and revenue recognition policies and other income are as follows:

Revenue from contracts with customers

(i) Sale and installation of passenger vehicle leather upholstery and electronic accessories

The Group sells and installs passenger vehicle leather upholstery and electronic accessories for the customers. Sales are recognised when control of the products has transferred, being when the products are delivered and installed (i.e. at a point of time), the customer has the ability to direct the usage of the installed product, obtain substantially all of the remaining benefits from it, and there is no unfulfilled obligation that could affect the customer's acceptance of the products. Delivery occurs when the products have been installed on the vehicles, the risks of obsolescence and loss have been transferred to the customer, and either the customer has accepted the products in accordance with the sales contract, the acceptance provisions have lapsed, or the Group has objective evidence that all criteria for acceptance have been satisfied.

Revenue from these sales is recognised based on the price specified in the contract. No element of financing is deemed present as the sales are made with a credit term of 30 days, which is consistent with market practice. The Group's obligation to repair or replace faulty products under the standard warranty terms is recognised as a provision of warranty cost and detains of which are set out in note 26.

The customers are invoiced periodically. Unbilled revenue arises from the cumulative revenue recognised but not yet invoiced to customer is recognised as trade receivables.

6. REVENUE (CONTINUED)

(c) Performance obligations for contracts with customers and revenue recognition policies (Continued)

Revenue from contracts with customers (Continued)

(ii) Sale of electronic accessories

The Group sells vehicle electronic accessories to the customers. Sales are recognised when control of the products has transferred, being when the products are delivered (i.e. at a point of time), the customer has the ability to direct the usage of the installed product, obtain substantially all of the remaining benefits from it, and there is no unfulfilled obligation that could affect the customer's acceptance of the products. Delivery occurs when the products have been shipped to the specified location, the risks of obsolescence and loss have been transferred to the customer, and either the wholesaler has accepted the products in accordance with the sales contract, the acceptance provisions have lapsed, or the Group has objective evidence that all criteria for acceptance have been satisfied.

Revenue from these sales is recognised based on the price specified in the contract. No element of financing is deemed present as the sales are made with a credit term of 30 days, which is consistent with market practice. The Group's obligation to repair or replace faulty products under the standard warranty terms is recognised as a provision of warranty cost and detains of which are set out in note 26.

A receivable is recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

(iii) Sale of automotive parts and motor vehicles

The Group sells automotive parts and motor vehicles to the customers. Sales are recognised when control of the products has transferred, being when the products are delivered (i.e. at a point of time), the customer has the ability to direct the usage of the product, obtain substantially all of the remaining benefits from it, and there is no unfulfilled obligation that could affect the customer's acceptance of the products. Delivery occurs when the products have been shipped to the specified location, the risks of obsolescence and loss have been transferred to the customer, and either the customer has accepted the products in accordance with the sales contract, the acceptance provisions have lapsed, or the Group has objective evidence that all criteria for acceptance have been satisfied.

Revenue from these sales is recognised based on the price specified in the contract. No element of financing is deemed present as the sales are made with a credit term of 7 days, which is consistent with market practice.

A receivable is recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

(iv) Financing components

The Group does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, the Group does not adjust any of the transaction prices for the time value of money.

6. REVENUE (CONTINUED)

(c) Performance obligations for contracts with customers and revenue recognition policies (Continued)

Other income

Interest income

Interest income is accrued on a time basis on the principal outstanding at the applicable interest rate.

Rental income

Rental income from operating leases is recognised in profit or loss on a straight-line basis over the term of the relevant lease.

Further information about the Group's accounting policies relating to revenue from contracts with customers is provided in note 3.2 to the consolidated financial statements.

(i) Transaction price allocated to remaining performance obligation

All revenue contracts are for period of one year or less. As permitted by IFRS 15, the transaction price allocated to these unsatisfied contracts is not disclosed.

7. OTHER INCOME, GAINS AND LOSSES, NET

	2024 $	2023 $ (Restated)
Fair value gain on investment properties (note 15)	**360,000**	440,000
Rental income from investment properties	**164,700**	170,700
Special Employment Credit	**13,177**	36,568
Foreign exchange gain and loss, net	**181,559**	(54,428)
Gain on disposal of property, plant and equipment	**7,798**	–
Government grants (note below)	**4,025**	–
Others	**–**	10,486
	731,259	603,326

Note: During the year ended 31 December 2024, the Group recognised government grants of $4,025 (2023: nil) in respect of Skills Future Enterprise Credit and Corporate Income Tax Rebate Cash Grant, offered by the Singapore Government. There were no unfulfilled conditions to receive the grants.

8. FINANCE INCOME

	2024 $	2023 $
Interest income from bank	**52,802**	12,997
Interest income on financial assets at FVTPL	**–**	104,621
	52,802	117,618

9. LOSS BEFORE TAX

Loss before tax has been arrived at after charging:

	2024 $	2023 $
Employee benefits expenses (including directors' emoluments)		
Wages, salaries and allowances	**3,473,651**	3,782,306
Discretionary bonuses	**272,587**	598,624
Retirement benefit costs – defined contribution plans	**157,130**	68,093
Others employee expenses	**58,311**	163,134
	3,961,679	4,612,157
Cost of sales	**1,898,241**	8,650,862
Including write-off of inventories	***46,848***	*31,435*
Others		
Amortisation of intangible assets	**27,169**	14,408
Depreciation of property, plant and equipment	**128,401**	136,903
Depreciation of right-of-use assets	**38,167**	38,167
Write-off of other receivables	**116,120**	–
Auditor's remuneration	**102,926**	68,000
Provision for warranty cost (note 26)	**30,546**	79,361

10. DIRECTORS' AND CHIEF EXECUTIVE OFFICER'S EMOLUMENTS

The directors' and Chief Executive Officer's remuneration for the year, disclosed pursuant to the applicable Listing Rules and the Hong Kong Companies Ordinance, is as follows:

For the year ended 31 December 2023

Name of directors	Notes	Fees $	Salaries, allowances and benefits in kind $	Discretion bonuses $	Employer's contribution to defined contribution plans $	Total $
Executive directors:						
Mr. Tsang Chun Ho Anthony	(i)	–	44,656	–	–	44,656
Ms. Ma Xiaoqiu	(ii)	–	123,662	–	–	123,662
Non-executive directors:						
Mr. Wong Chun Man	(iii)	–	10,305	–	–	10,305
Mr. Choi Tan Yee	(iv)	–	44,656	–	–	44,656
Ms. Liu Xinyi	(v)	–	123,662	–	–	123,662
Ms. Lyu Qiujia	(v)	–	30,916	–	–	30,916
Ms. Chen Jun	(v)	–	22,671	–	–	22,671
Independent non-executive directors:						
Mr. Wang Zhongmin	(vi)	2,061	–	–	–	2,061
Ms. Lee Kit Ying	(vii)	9,374	–	–	–	9,374
Mr. Cheng Wai Hei	(viii)	12,854	–	–	–	12,854
Mr. Peng Peng	(ix)	24,732	–	–	–	24,732
Mr. Jin Lailin	(x)	24,732	–	–	–	24,732
		73,753	400,528	–	–	474,281

10. DIRECTORS' AND CHIEF EXECUTIVE OFFICER'S EMOLUMENTS (CONTINUED)

For the year ended 31 December 2024

Name of directors	Notes	Fees $	Salaries, allowances and benefits in kind $	Discretion bonuses $	Employer's contribution to defined contribution plans $	Total $
Executive directors:						
Mr. Tsang Chun Ho Anthony	(i)	–	60,391	–	3,082	63,473
Ms. Ma Xiaoqiu	(ii)	–	–	–	–	–
Mr. Lu Yong De	(xi)	–	–	–	–	–
Non-executive directors:						
Mr. Choi Tan Yee	(iv)	–	60,391	–	–	60,391
Ms. Liu Xinyi	(v)	–	–	–	–	–
Ms. Lyu Qiujia	(v)	–	–	–	–	–
Ms. Chen Jun	(v)	–	–	–	–	–
Independent non-executive directors:						
Mr. Cheng Wai Hei	(viii)	20,077	–	–	–	20,077
Mr. Peng Peng	(ix)	–	–	–	–	–
Mr. Jin Lailin	(x)	–	–	–	–	–
Mr. Lam Chi Wing	(xii)	20,461	–	–	–	20,461
Ms. Li Jia Yao	(xiii)	–	–	–	–	–
		40,538	120,782	–	3,082	164,402

10. DIRECTORS' AND CHIEF EXECUTIVE OFFICER'S EMOLUMENTS (CONTINUED)

Notes:

(i) Mr. Tsang Chun Ho Anthony was appointed as executive director of the Company on 11 April 2023.

(ii) Pursuant to the resolution of the shareholders of the Company at the extraordinary general meeting on 19 March 2024, Ms. Ma Xiaoqiu was removed as executive director of the Company.

(iii) Mr. Wong Chun Man resigned as non-executive director of the Company on 1 February 2023.

(iv) Mr. Choi Tan Yee was appointed as non-executive director of the Company on 11 April 2023.

(v) Pursuant to the resolution of the shareholders of the Company at the extraordinary general meeting on 19 March 2024, Ms. Liu Xinyi, Ms. Chen Jun and Ms. Lyu Qiujia were removed as the non-executive directors of the Company.

(vi) Mr. Wang Zhongmin resigned as independent non-executive director of the Company on 1 February 2023.

(vii) Ms. Lee Kit Ying retired as independent non-executive director of the Company on 17 May 2023.

(viii) Mr. Cheng Wai Hei was appointed as independent non-executive director of the Company on 17 May 2023.

(ix) Mr. Peng Peng resigned as independent non-executive director of the Company on 2 January 2024.

(x) Pursuant to the resolution of the shareholders of the Company at the extraordinary general meeting on 19 March 2024, Mr. Jin Lailin was removed as independent non-executive director of the Company.

(xi) Mr. Lu Yongde was appointed as executive director and chairman of the Company on 22 July 2024.

(xii) Mr. Lam Chi Wing was appointed as independent non-executive director of the Company on 2 January 2024.

(xiii) Ms. Li Jiayao was appointed as independent non-executive director of the Company on 6 June 2024.

Waiver of directors' emoluments

For the financial year ended 31 December 2024 and 31 December 2023, none of the directors of the Company waived any emoluments paid or payable by the Group companies and no emoluments were paid by the Group to the directors as an inducement to join or upon joining the Group or as compensation for loss of office.

Directors' retirement benefits

There was no retirement benefits paid to or receivable by any directors in respect of their other services in connection with the management of the affairs of the Company or its subsidiaries undertaking for the financial years ended 31 December 2024 and 31 December 2023.

Directors' termination benefits

No payment was made to directors as compensation for the early termination of the appointment for the financial years ended 31 December 2024 and 31 December 2023.

10. DIRECTORS' AND CHIEF EXECUTIVE OFFICER'S EMOLUMENTS (CONTINUED)

Consideration provided to third parties for making available directors' services

No payment was made to the former employer of directors for making available the services of them as a director of the Company for the financial years ended 31 December 2024 and 31 December 2023.

Information about loans, quasi-loans and other dealings in favour of directors, controlled bodies corporate by and connected entities with such directors

There are no loans, quasi-loans and other dealings in favour of directors, controlled bodies corporate by and connected entities with such directors for the financial years ended 31 December 2024 and 31 December 2023.

Directors' material interests in transactions, arrangements or contracts

Save as disclosed elsewhere in these consolidated financial statements, no significant transactions, arrangements and contracts in relation to the Company's business to which the Company was a party and in which a director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time or the financial years ended 31 December 2024 and 31 December 2023.

11. FIVE HIGHEST PAID INDIVIDUALS

The five individuals whose emoluments were the highest in the Company include 1 executive director for the financial years ended 31 December 2024 (2023: 1 executive director and 1 non-executive director), whose emoluments are reflected in the analysis presented above.

The emoluments paid or payable to the remaining 4 individuals for the financial years ended 31 December 2024 (2023: 3 individuals) are as follows:

	2024 **$**	2023 $
Wages, salaries and allowances	**464,153**	353,569
Discretionary bonuses	**37,590**	42,240
Retirement benefit costs – defined contribution plans	**55,412**	6,547
	557,155	402,356

11. FIVE HIGHEST PAID INDIVIDUALS (CONTINUED)

Their emoluments were within the following bands:

	Number of individuals	
	2024	2023
Emolument band Nil – HK$1,000,000 (equivalent to $172,117; 2023: $169,000)	**4**	3

There was no arrangement under which five highest paid individuals waived or agreed to waive any remuneration during the years ended 31 December 2024 and 31 December 2023. In addition, there was no inducement paid for five highest paid individuals to join the Group and no compensation for the loss of office in connection with the management of the affairs of any member of the Group for both years.

12. INCOME TAX EXPENSE

The amount of income tax expense charged to profit or loss represents:

	2024 **$**	2023 $
Current income tax		
– Charge for the year	**–**	–
– Over-provision in prior years	**–**	–
	–	–
Deferred tax (note 20)	**–**	172,000
Income tax expense	**–**	172,000

The Company is incorporated in the Cayman Islands as an exempted company with limited liability under the Companies Act (as revised) of Cayman Islands and accordingly, is exempted from Cayman Islands income tax.

Singapore profits tax has been provided at the rate of 17% on the estimated assessable profit for the financial year (2023: 17%).

Hong Kong profits tax has been provided at the rate of 16.5% (2023: 16.5%) on the estimated assessable profits arising in Hong Kong during the year except for one subsidiary of the Group which is a qualifying entity under the two-tiered profits tax regime. The first HK$2,000,000 of assessable profits of this subsidiary is taxed at 8.25% and the remaining assessable profits are taxed at 16.5%.

No provision for taxation in Singapore and Hong Kong have been made as there were no assessable profits incurred by the Group for both years.

12. INCOME TAX EXPENSE (CONTINUED)

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

	2024 **$**	2023 $
Loss before tax	**(2,630,030)**	(10,410,191)
Tax calculated at domestic tax rate	**(447,105)**	(1,769,732)
Tax effect of expenses not deductible for tax purposes	**176,504**	1,404,590
Tax effect of non-taxable income	**(61,200)**	(94,253)
Tax effect of tax losses not recognised	**328,662**	625,921
Other tax effects	**3,139**	5,474
Income tax expense	**–**	172,000

13. DIVIDENDS

No dividends were paid, declared or proposed for the years ended 31 December 2024 and 31 December 2023, nor has any dividend been proposed since the end of the reporting periods.

14. LOSS PER SHARE

The calculation of the basic and dilute loss per share attributable to owners of the Company is based on the following data:

	2024 **$**	2023 $
Loss attributable to equity holders of the Company	**2,630,030**	10,582,191

Number of shares

	Number of shares	
	2024	2023
Weighted average number of ordinary shares in issue	**450,000,000**	450,000,000

The calculation of the basic loss per share is based on the loss for the year attributable to equity holders of the Company and the weighted average number of ordinary shares in issue.

Diluted loss per share is same as basic loss per share due to the absence of dilutive potential ordinary shares during the years ended 31 December 2024 and 31 December 2023.

15. INVESTMENT PROPERTIES

	2024 **$**	2023 $
Carrying amounts:		
As at 1 January	**3,740,000**	3,300,000
Change in fair value gain	**360,000**	440,000
As at 31 December	**4,100,000**	3,740,000

The following amounts are recognised in profit or loss:

	2024 **$**	2023 $
Rental income	**164,700**	170,700
Less: Direct operating expenses arising from properties that generated rental income	**(25,449)**	(22,638)
	139,251	148,062

The Group's investment properties represent property interests in workshops and office spaces that are held to earn rentals which are measured using the fair value model.

The following table analyses the Group's investment properties that are measured subsequent to initial recognition at fair value, grouped into fair value hierarchy Level 3 based on the degree to which the inputs to fair value measurement is observable.

The fair value gain is recognised in the consolidated statement of comprehensive income.

	2024 **$**	2023 $
Fair value measurements using significant unobservable inputs (Level 3)		
Recurring fair value measurements:		
– Investment properties	**4,100,000**	3,740,000

There was no transfer between Level 1, 2 and 3 during the financial year.

Valuation processes

The Group's investment properties were valued at 31 December 2024 by A Star Valuer Pte Ltd (2023: A Star Valuer Pte Ltd), an independent and qualified professional valuer not connected to the Group. The valuer holds a recognised and relevant professional qualification and has recent experience in valuing similar properties in similar location and categories of the investment properties being valued.

15. INVESTMENT PROPERTIES (CONTINUED)

Valuation processes (Continued)

In determining the fair value of the relevant properties, the directors of the Company are responsible to determine the appropriateness of valuation techniques and inputs for fair value measurements. The directors of the Company work closely with the independent professional qualified valuer to establish the appropriate valuation techniques and inputs to the model. This valuation requires the use of unobservable inputs and is within Level 3 of the fair value hierarchy. The valuations of the Group's investment properties were based on the comparison approach by comparing the Group's properties with recent transactions of comparable properties within the vicinity and elsewhere in order to arrive at the fair values of the properties.

Valuation technique

Valuation is based on comparison approach assuming sales of each of these properties in its existing state with the benefits of vacant procession. The valuation technique is based on comparison with recent transactions of comparable properties within the vicinity and elsewhere. By making reference to sales transactions as available in the relevant market, comparable properties in close proximity have been selected and adjustments have been made to account for the difference in factors in locations, tenure, property size, shape, design, layout, age and condition of buildings, availability of facilities, dates of transactions and the prevailing market conditions amongst other factors affecting its value. In estimating the fair value of all of the Group's investment properties, the highest and best use of these properties is their current use.

Information about fair value measurements using significant unobservable inputs (Level 3)

Description	Fair value at 31 December 2024	Valuation technique	Unobservable input	Range of unobservable inputs	Relationship of unobservable inputs to fair value
Industrial unit 1	$1,370,000 (2023: $1,250,000)	Comparison approach	Average selling price per square metre	$4,790 per square metre (2023: $4,371 per square metre)	The higher the unit rate, the higher the fair value
Industrial unit 2	$1,370,000 (2023: $1,250,000)	Comparison approach	Average selling price per square metre	$4,790 per square metre (2023: $4,371 per square metre)	The higher the unit rate, the higher the fair value
Industrial unit 3	$1,360,000 (2023: $1,240,000)	Comparison approach	Average selling price per square metre	$4,806 per square metre (2023: $4,382 per square metre)	The higher the unit rate, the higher the fair value

At the end of the reporting period, the details of the Group's investment properties are as follows:

Location	Description/existing use	Tenure
8 Kaki Bukit Avenue 4, #02-03/04/05, Premier @ Kaki Bukit, Singapore 415875	Workshop and office space	60 years leasehold from 15 December 2010

16. PROPERTY, PLANT AND EQUIPMENT

	Leasehold properties $	Lightings, renovation, furniture & fittings $	Machinery & motor vehicles $	Office, equipment, software and computers $	Total $
1 January 2023					
Cost	1,150,227	61,199	1,341,257	250,561	2,803,244
Accumulated depreciation	(732,664)	(52,306)	(757,702)	(241,501)	(1,784,173)
Net book amount	417,563	8,893	583,555	9,060	1,019,071
Year ended 31 December 2023					
Opening net book amount	417,563	8,893	583,555	9,060	1,019,071
Depreciation	(42,575)	(3,261)	(82,438)	(8,629)	(136,903)
Closing net book amount	374,988	5,632	501,117	431	882,168
Year ended 31 December 2023 and 1 January 2024					
Cost	1,150,227	61,199	1,341,257	250,561	2,803,244
Accumulated depreciation	(775,239)	(55,567)	(840,140)	(250,130)	(1,921,076)
Net book amount	374,988	5,632	501,117	431	882,168
Year ended 31 December 2024					
Opening net book amount	374,988	5,632	501,117	431	882,168
Disposal	–	–	(77,490)	–	(77,490)
Written off on disposal	–	–	77,490	–	77,490
Addition	–	–	36,008	–	36,008
Depreciation	(42,574)	(1,738)	(83,658)	(431)	(128,401)
Closing net book amount	332,414	3,894	453,467	–	789,775
Year ended 31 December 2024					
Cost	1,150,227	61,199	1,299,775	250,561	2,761,762
Accumulated depreciation	(817,813)	(57,305)	(846,308)	(250,561)	(1,971,987)
Net book amount	332,414	3,894	453,467	–	789,775

16. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

The above items of property, plant and equipment, after taking into account the residual values, are depreciated on a straight-line basis on the following bases:

	Useful lives
Leasehold properties	30 years
Lightings, renovation, furniture & fittings	3 to 5 years
Machineries and motor vehicles	5 to 10 years
Office equipment, software and computers	3 to 5 years

During the year ended 31 December 2024, depreciation expense of $72,196, $2,838 and $53,367 (2023: $14,341, $2,838 and $119,724) has been charged to cost of sales, selling and distribution expenses and administrative expenses, respectively.

As at 31 December 2024, banking facilities are secured on legal mortgage of the leasehold properties with carrying values totaling $332,414 (2023: $374,988). As at 31 December 2024, the Group undrawn banking facilities amounted to $800,000 (2023: $800,000).

17. INTANGIBLE ASSETS

	Club Membership A $	**Club Membership B** $	**Total** $
Cost			
As t 1 January 2023	103,000	–	103,000
Addition	–	381,000	381,000
As at 31 December 2023, 1 January 2024 and 31 December 2024	103,000	381,000	484,000
Amortisation			
As t 1 January 2023	7,940	–	7,940
Amortisation charge for the year	5,293	9,115	14,408
As at 31 December 2023 and 1 January 2024	13,233	9,115	22,348
Amortisation charge for the year	5,293	21,876	27,169
Year ended 31 December 2024	18,526	30,991	49,517
Carrying value			
As at 31 December 2024	84,474	350,009	434,483
As at 31 December 2023	89,767	371,885	461,652

17. INTANGIBLE ASSETS (CONTINUED)

Club membership has finite useful lives and is stated at cost less accumulated amortisation and accumulated impairment losses.

Amortisation is calculated using the straight-line method to allocate the cost over 17.5 years and 19.5 years for Club Membership A and Club Membership B, respectively.

18. LEASES – RIGHT-OF-USE ASSETS AND LEASES LIABILITIES

The Group leases an office space from third party for the purpose of office operations and storage. The lease has a tenure of three years.

(a) Amounts recognised in the consolidated statement of financial position

The consolidated statement of financial position shows the following amounts relating to leases:

	2024 **$**	2023 $
Right-of-use assets		
Leasehold properties		
As at 1 January	**44,529**	82,696
Depreciation charge	**(38,167)**	(38,167)
As at 31 December	**6,362**	44,529
Lease liabilities		
Amount payables:		
Within one year	**6,797**	39,676
In more than one year but no more than two years	**–**	6,797
	6,797	46,473
Less: Amount due within year shown under current liabilities	**(6,797)**	(39,676)
Amount shown under non-current liabilities	**–**	6,797
Analysed as:		
Current	**6,797**	39,676
Non-current	**–**	6,797
	6,797	46,473

18. LEASES – RIGHT-OF-USE ASSETS AND LEASES LIABILITIES (CONTINUED)

(b) Amounts recognised in the consolidated statement of comprehensive income

	2024 **$**	2023 $
Depreciation charge of right-of-use asset		
Leasehold properties	**38,167**	38,167
Interest expense included in finance cost	**1,351**	3,188
Expenses relating to short-term leases	**1,744**	18,697

The total cash outflow for leases during the financial year ended 31 December 2024 was $42,771 (2023: $59,724).

The Group leases office premise from third parties under non-cancellable operating lease agreement. There was no option for renewal of the above operating lease agreement.

19. INVESTMENTS IN ASSOCIATES

	2024 **$**	2023 $
Share of net assets	**17,526**	17,526
Goodwill on acquisition	**6,403,965**	6,403,965
	6,421,491	6,421,491
Less: Impairments	**(6,421,491)**	(6,421,491)
	–	–

Particulars of the Company's associates as at 31 December 2024 and 31 December 2023 are as follows:

Name	**Place of registration/ incorporation and business**	**Form of entity Percentage of ownership interest attributable to the Group**		**Proportion of voting power held**		**Principal activities**
		2024 **%**	2023 %	**2024** **%**	2023 %	
Ocean Dragon Group Limited and its subsidiary ("Ocean Dragon Group")	Hong Kong	**49**	49	**49**	49	Provision of electric charging solutions

19. INVESTMENTS IN ASSOCIATES (CONTINUED)

During the year ended 31 December 2022, the Group entered into a sales and purchase agreement with Mr. Tsang Kin Yip to acquire 49% of the issued share capital of Ocean Dragon Group Limited at the consideration of HK$35,000,000 (equivalent to $6,421,491). Ocean Dragon Group Limited and its wholly-owned subsidiary, Hua Bright International Limited, are collectively referred to as the "Ocean Dragon Group". The Ocean Dragon Group is mainly engaged in the provision of electric charging solutions and which was accounted for as associates under the equity method since its acquisition.

During the year ended 31 December 2022, the Group relied on the financial information provided by local management of the Ocean Dragon Group to account for the share of results and also to assess the impairment of its investments in the Ocean Dragon Group.

During the year 31 December 2023, in view of all key personnel of the local management of the Ocean Dragon Group, including those who are responsible for finance and accounting matters had left and were not contactable, the Group was unable to access sufficient books and records of the Ocean Dragon Group to account for the share of results and also to assess the impairment of its investments in Ocean Dragon Group. Apart from that, despite the best endeavours of the directors of the Company, the Company was unable to obtain sufficient corroborating documents and explanations to substantiate the reasons for and the commercial substance of the Group's investments in the Ocean Dragon Group, the Company raised concerns over the genuineness of the acquisition of the Ocean Dragon Group in prior years. As a consequence, the directors consider that the Group is unlikely to recover the Group's investments in the Ocean Dragon Group and hence, the Group recognised a loss of $6,421,491 to fully write down the Group's investments in the Ocean Dragon Group which was recorded separately in an item in the consolidated statement of profit or loss and other comprehensive income for the year ended 31 December 2023.

The directors of the Company consider that, in view of the Group did not have commitment to contribute additional funds to Ocean Dragon Group and the Group's investments in Ocean Dragon Group was fully impaired during the year ended 31 December 2023 and thus, the Group's investments in Ocean Dragon Group will have no material financial impacts to the consolidated financial statements of the Company subsequent to 31 December 2023.

Due to the lack of the sufficient financial information of the Ocean Dragon Group as described above, the financial information of the Ocean Dragon Group as of and for the years ended 31 December 2024 and 31 December 2023 were not presented.

20. DEFERRED TAX ASSETS

The movements in the deferred income tax assets relating to utilised tax losses are as follows:

	2024 **$**	2023 $
At 1 January	**–**	172,000
Charged to consolidated statement of profit or loss (note 12)	**–**	(172,000)
At 31 December	**–**	–

At the ending of the reporting period, the Group has unused tax losses of approximately $5,677,987 (2023: $3,677,454) available for offset against future profits.

21. INVENTORIES

	2024 **$**	2023 $
Raw materials	**46,598**	61,166
Finished goods	**180,613**	223,655
	227,211	284,821

The cost of inventories included in cost of sales amounted to $757,547 for the financial year ended 31 December 2024 (2023: $7,450,926).

The Group has written off inventories included in cost of sales amounted to $46,848 in the financial year ended 31 December 2024 (2023: $31,435).

As at 31 December 2024, there was no inventories expected to be recovered after more than 12 months (2023: nil).

22. TRADE AND OTHER RECEIVABLES

	2024 $	2023 $
Trade receivables	**448,686**	257,360
Unbilled revenue	**135,723**	207,646
	584,409	465,006
Deposits, prepayment and other receivables:		
– Rental and other deposits	**6,269**	6,269
– Advance payment to suppliers	**–**	262,890
– Prepayment of operating expenses	**376**	1,563
– Other receivables	**132,874**	171,551
	139,519	442,273
	723,928	907,279

The ageing analysis of the trade receivables based on invoice date is as follow:

	2024 $	2023 $
Unbilled revenue	**135,723**	207,646
0 to 30 days	**225,971**	11,069
31 to 60 days	**183,622**	1,220
61 to 90 days	**20,394**	626
Over 90 days	**18,699**	244,445
	584,409	465,006

Except for an amount of $18,699 (2023: $239,000) trade receivables which aged over 90 days for which expected credit loss was assessed individually, the Group applies the IFRS 9 *Financial Instruments* simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables. No material loss allowance was recognised as at 31 December 2024 and 31 December 2023.

Further information about the impairment of trade and other receivables and the Group's exposure to credit risk can be found in note 30(b)(ii).

23. CASH AND BANK BALANCES EQUIVALENTS

	2024 $	2023 $
Cash and cash equivalents		
– Fixed deposit	**879,862**	–
– Cash at banks	**4,047,428**	8,315,884
– Cash on hand	**1,317**	1,460
	4,928,607	8,317,344

The Group's cash and bank balances are denominated in the following currencies:

	2024 $	2023 $
HK$	**3,766,950**	2,877,237
S$	**1,158,393**	5,033,723
US$	**691**	403,626
JPY$	**2,573**	2,758
	4,928,607	8,317,344

24. TRADE AND OTHER PAYABLES

	2024 $	2023 $
Trade payables	**32,229**	158,179
Other payables and accruals:		
– Accrued operating expenses	**150,277**	246,659
– Accrued bonus	**258,750**	598,624
– Goods and services tax payables	**47,975**	29,806
– Others	**61,120**	34,847
	518,122	909,936
	550,351	1,068,115

The ageing analysis of the trade payables based on invoice date is as follows:

	2024 $	2023 $
1 to 30 days	**32,229**	158,179

25. CONTRACT LIABILITIES

The following table provides information about contract liabilities balances during the financial year:

	2024 **$**	2023 $
Contract liabilities	**–**	244,322

Contract liabilities relate to advance consideration received from customers. Contract liabilities are recognised as revenue as (or when) the Company satisfies the performance obligations under its contracts.

During the year ended 31 December 2024, contract liabilities decreased (2023: decreased) significantly due to the decrease in advance received from customers in relation to the sales of motor vehicles.

The following table shows how much of the revenue recognised relates to advance consideration received from customers and how much relates to performance obligations that were satisfied in prior periods.

	$
Contract liabilities	
For the year ended 31 December 2024	
Revenue recognised that was included in the contract liabilities at the beginning of the year	**244,322**
For the year ended 31 December 2023	
Revenue recognised that was included in the contract liabilities at the beginning of the year	668,326

26. PROVISION OF WARRANTY COST

The movements in provision for warranty cost during the year is as follow:

	2024 **$**	2023 $
At 1 January	**29,907**	28,969
Provision utilised	**(26,181)**	(78,423)
Provision for warranty cost (note 9)	**30,546**	79,361
At 31 December	**34,272**	29,907

The warranty provision represents management's best estimate of the Group's obligations to repair or replace faulty products under the Group's standard warranty term and period, mainly for a period of maximum of 36 months based on management's prior experience.

27. SHARE CAPITAL

The share capital of the Group as at 31 December 2024 and 31 December 2023 represented the share capital of the Company

	Number of ordinary shares	**Par value** HK$	**Share capital** HK$
Ordinary of HK$0.01 each			
Authorised share capital			
As at 1 January 2023, 31 December 2023, 1 January 2024 and 31 December 2024	10,000,000,000	0.01	100,000,000

	Number of ordinary shares	**Share capital** $
Issued and fully paid		
As at 1 January 2023, 31 December 2023, 1 January 2024 and 31 December 2024	450,000,000	793,357

28. COMMITMENTS

Non-cancellable operating lease – where the Group is a lessor

The Group has entered into commercial property leases on its investment properties. These non-cancellable leases have remaining lease terms of between one and two years. All leases include a clause to enable upward revision of the rental charge on an annual basis based on prevailing market conditions.

Future minimum rental undiscounted receivable under non-cancellable operating leases at the end of the reporting period are as follows:

	2024 **$**	2023 $
Not later than 1 year	**156,750**	147,200
Later than 1 year and not later than 5 years	**–**	55,650
	156,750	202,850

29. CAPITAL RISK MANAGEMENT

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

The Group also monitors capital on the basis of gearing ratio. The gearing ratio is calculated as total debt divided by total capital. Debt is calculated as lease liabilities. Total capital represents total equity as shown in the consolidated statement of financial position.

	2024 $	2023 $
Debt	**6,797**	46,473
Total capital	**10,618,572**	13,248,602
Gearing ratio	**0.0006**	0.0035

The Group does not have any borrowing other than lease liabilities as at 31 December 2024 and 31 December 2023.

30. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

(a) Categories of financial instruments

	2024 $	2023 $
Financial assets		
Financial assets at amortised cost		
– Trade and other receivables	**723,552**	642,826
– Cash and cash equivalents	**4,928,607**	8,317,344
	5,652,159	8,960,170
Financial liabilities		
Financial liabilities at amortised cost		
– Trade and other payables	**502,376**	1,038,309
– Lease liabilities	**6,797**	46,473
	509,173	1,084,782

30. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(b) Financial risk management objectives and policies

The Group's activities expose it to market risk (including currency risk and interest risk), credit risk and liquidity risk. The Group's overall risk management strategy focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Group's financial performance.

(i) Market risk

(1) Currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates.

The Group has exposure to foreign exchange risk arising mainly from the exposure of $ against HK$ and USD. Foreign exchange risk arises mainly from recognised assets. At 31 December 2024, if the HK$ had weakened or strengthened by 10% against the $ with all other variables held constant, post-tax loss for the year would have been approximately $315,000 (2023: $347,000) lower/higher as a result of foreign exchange losses/gains mainly on translation of HK$ denominated cash and bank balances.

Exposure to USD movements in exchange rates on transactions is minimised as they relate primarily to its fixed-rate interest financial assets at fair value through profit or loss.

(2) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Group's fair value interest rate risk relates primarily to its fixed-rate other borrowings and financial assets at fair value through profit or loss.

The Group is also exposed to cash flow interest rate risk in relation to variable-rate bank balances. The Group currently does not have an interest rate hedging policy.

However, the management will consider hedging significant interest rate exposure should the need arises.

Interest income from financial assets that are measured at amortised cost and at fair value are as follow:

	2024 **$**	2023 $
Financial assets at amortised cost	**52,802**	12,997
Financial assets at fair value	**–**	104,621

The Group's exposure to interest rates on financial liabilities are detailed in the liquidity risk section of this note.

30. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(b) Financial risk management objectives and policies (Continued)

(ii) Credit risk

Credit risk refers to the risk that the Group's counterparties will default on their contractual obligations resulting in financial loss to the Group. For trade receivables, the Group adopts policy of dealing only with customers of appropriate credit history. For other financial assets, the Group adopts the policy of dealing only with high credit quality counter-parties.

The Group's trade receivables comprise 3 debtors (2023: 3 debtors) that in aggregate represented 89.7% (2023: 91.1%) of the trade receivables.

Credit exposure to an individual counterparty is restricted by credit limits that are approved by the directors based on ongoing credit evaluation. The counterparty's payment profile and credit exposure are continuously monitored by the directors of the Company.

The maximum exposure to credit risk is the carrying amount of each class of financial instruments presented on the consolidated statement of financial position.

Except for trade receivables which ECLs are measured based on lifetime expected credit loss, the following sets out the Group's internal credit evaluation practices and basis for recognition and measurement of ECL:

Category of internal credit rating	**Description of category**	**Basis for recognising expected credit losses**
Performing	The counterparty has a low risk of default and does not have any past-due amounts.	12-month expected credit losses
Under-performing	Amount is >30 days past due or there has been a significant increase in credit risk since initial recognition.	Lifetime expected credit losses – not credit
Non-performing	Amount is >90 days past due or there is evidence indicating the asset is credit-impaired.	Lifetime expected credit losses – credit impaired
Write-off	There is evidence indicating that the debtor is in severe financial difficulty and the Group has no realistic prospect of recovery.	Amount is written off

30. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(b) Financial risk management objectives and policies (Continued)

(ii) Credit risk (Continued)

Significant increase in credit risk

In assessing whether the credit risk on a financial asset has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial asset as at the reporting date with the risk of a default occurring on the financial asset 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, such as future economic and industry outlook, that is available without undue cost or effort.

In particular, the Group considers the following information when assessing whether credit risk has increased significantly since initial recognition:

- an actual or expected significant deterioration in the operating results/key financial performance ratios of the debtor; and

- 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.

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.

The Group also assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial asset is determined to have low credit risk at the reporting date.

Definition of default

The Group considers an event of default for internal credit risk management purpose. Management 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.

30. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(b) Financial risk management objectives and policies (Continued)

(ii) Credit risk (Continued)

Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred such as evidence that the borrower is in significant financial difficulty, there is a breach of contract such as default or past due event; there is information that it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; the disappearance of an active market for that financial asset because of financial difficulties; or the purchase or origination of a financial asset at a deep discount that reflects the incurred credit losses.

Estimation techniques and significant assumptions

There has been no change in the estimation techniques or significant assumptions made during the current financial year for recognition and measurement of credit loss allowances.

(1) Trade receivables

The Group has applied the simplified approach to measure the expected credit loss allowance for trade receivables.

Trade receivables that shared the same credit risk characteristics and days past due are grouped together in measuring the expected credit losses.

The Group estimates the expected credit loss rates for each category of past due status of the debtors based on historical credit loss experience adjusted as appropriate to reflect current conditions and forecasts of future economic conditions on the ability of the customers to settle the receivables.

At the end of the reporting period, the management of the Group have assessed the ECL of all trade receivables and considered that the credit loss exposures are insignificant and therefore it did not result in an impairment allowance for the both years.

There has been no change in the estimation techniques or significant assumptions made during the current financial year.

30. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(b) Financial risk management objectives and policies (Continued)

(ii) Credit risk (Continued)

Estimation techniques and significant assumptions (Continued)

(2) Other financial assets at amortised cost

Other financial assets at amortised cost includes other receivables (excluding advance payment to suppliers, prepayment of operating expenses and grant receivable) and cash and cash equivalents.

The table below details the credit quality of the Group's financial assets (other than trade receivables):

As at 31 December 2023	12-month or lifetime ECL	Gross carrying amount $	Loss allowance $	Net carrying amount $
Other receivables (excluding advance payment to suppliers, prepayment of operating expenses and grant receivable)	N/A – Exposure is limited	177,820	–	177,820
Cash and cash equivalents	N/A – Exposure is limited	8,317,344	–	8,317,344

As at 31 December 2024	**12-month or lifetime ECL**	**Gross carrying amount $**	**Loss allowance $**	**Net carrying amount $**
Other receivables (excluding advance payment to suppliers, prepayment of operating expenses and grant receivable)	**N/A – Exposure is limited**	**139,143**	**–**	**139,143**
Cash and cash equivalents	**N/A – Exposure is limited**	**4,928,607**	**–**	**4,928,607**

At the end of the reporting period, the management of the Group have assessed the ECL of other receivables and cash and cash equivalents and considered that the credit loss exposures are insignificant and therefore it did not result in an impairment allowance for the both years.

The credit risk of financial assets designated as at fair value through profit or loss is limited because the counterparties are banks with high credit rating assigned by international credit-rating agencies.

30. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(b) Financial risk management objectives and policies (Continued)

(iii) Liquidity risk

Liquidity or funding risk is the risk that the Group will encounter difficulty in raising funds to meet commitments associated with financial instruments. Liquidity risk may result from an inability to sell a financial asset quickly at lose to its fair value.

The Group manages its liquidity risk by ensuring the availability of funding through its ability to operate profitably, maintaining sufficient cash to enable it to meet its normal operating commitments, having adequate amount of committed credit facilities.

The table below summarises the maturity profile of the Group's non-derivative financial liabilities at the statement of financial position date based on contractual undiscounted repayment obligations.

	1 year or less $	2 to 5 years $	Total $
As at 31 December 2023			
Trade and other payables	1,038,309	–	1,038,309
Lease liabilities	41,027	6,838	47,865
	1,079,336	6,838	1,086,174
As at 31 December 2024			
Trade and other payables	**502,376**	**–**	**502,376**
Lease liabilities	**6,838**	**–**	**6,838**
	509,214	**–**	**509,214**

30. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(c) Fair value estimation

Financial assets and financial liabilities measured at fair value in the statements of financial position are grouped into three Levels of a fair value hierarchy. The three Levels are defined based on the observability of significant inputs to the measurement, as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

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

Level 3: unobservable inputs for the asset or liability.

At the end of the reporting period, the carrying amounts of the Group's current financial assets, including trade and other receivables and cash and cash equivalents and; current financial liabilities, including trade and other payables, approximate their fair values as at the reporting date due to their short-term maturities.

The Group uses fair values measured based on market-observable data which any input which have a significant effect on the recorded fair value are observable, either directly or indirectly for determining and disclosing the fair value of the financial asset at fair value through profit or loss. At 31 December 2024 and 31 December 2023, the Group's financial asset at fair value through profit or loss were measured at fair value and determined as level 1.

The Group's non-financial assets measured at fair value, including investment properties, are included in level 3 as there are significant unobservable inputs in the valuation technique. The Group does not have level 2 items as at 31 December 2024 and 31 December 2023.

Fair value measurements of investment properties under Level 3 fair value hierarchy

Investment properties are carried at fair values at the end of reporting date as determined by independent professional valuers. Valuations are made at each financial statements date based on the properties' highest- and-best-use using the comparison method that considers sales of similar properties that have been transacted in the open market with appropriate adjustments have been made to account for the difference in factors such as locations and property size. The most significant input into this valuation approach is selling price per square metre. The valuation report and fair value changes are reviewed by the directors at each reporting date.

At the end of the reporting period, the fair value estimation process and technique of investment properties are disclosed in note 15.

31. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES/NET DEBT RECONCILIATION

	Lease liabilities	
	2024	2023
	$	$
At 1 January	**46,473**	84,312
Non-cash changes:		
– Finance cost	**1,351**	3,188
Cash flows:		
– Principal elements of payments	**(39,676)**	(37,839)
– Interest paid	**(1,351)**	(3,188)
At 31 December	**6,797**	46,473

32. RELATED PARTY TRANSACTIONS

For the purposes of this consolidated financial statements, parties are considered to be related to the Group if the party has the ability, directly or indirectly, to exercise significant influence over the Group in making financial and operating decisions. Related parties may be individuals (being members of key management personnel, significant shareholder and/or their close family members) or other entities and include entities which are under the significant influence of related parties of the Group where those parties are individuals. Parties are also considered to be related if they are subject to common control.

(a) Related parties transaction and balances

In addition to the information disclosed elsewhere in the financial statement, the following set out the significant transactions carried out between the Group and its related parties in the ordinary course of business for the financial year ended 31 December 2024 and 31 December 2023.

	2024	2023
	$	$
Services fee charged	**66,844**	138,118

The fees were paid for the major transactions in relation to Notes subscriptions and for investigation and documents preparation of investments in associates provided by Rainbow Capital (HK) Limited of which Mr. Choi Tan Yee is the shareholder.

The related party transactions conducted with Rainbow Capital (HK) Limited constitute connected transactions as defined in Chapter 14A of the Listing Rule exempt from the reporting, announcement and independent shareholders' approval requirements.

(b) Key management compensation

Key management includes executive directors of the Company and the five highest paid individuals. The compensation paid or payable to directors and key management for employee services is disclosed notes 10 and 11, respectively.

33. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

	2024 $	2023 $
NON-CURRENT ASSETS		
Investments in associates	**–**	–
Investments in subsidiaries	**4,958,631**	4,958,631
	4,958,631	4,958,631
CURRENT ASSETS		
Amounts due from subsidiaries	**2,358,320**	2,771,441
Cash and cash equivalents	**1,522,453**	2,204,788
	3,880,773	4,976,229
CURRENT LIABILITIES		
Other payables	**90,475**	95,220
Amounts due to subsidiaries	**6,996,875**	6,996,875
	7,087,350	7,092,095
NET CURRENT LIABILITIES	**(3,206,577)**	(2,115,866)
NET ASSETS	**1,752,054**	2,842,765
CAPITAL AND RESERVES		
Share capital	**793,357**	793,357
Reserves	**958,697**	2,049,408
TOTAL EQUITY	**1,752,054**	2,842,765

Reserve movements of the Company

	Share premium $	Other reserve $	Accumulated losses $	Total $
At 1 January 2023	12,398,264	4,958,627	(7,231,729)	10,125,162
Loss and total comprehensive expense for the financial year	–	–	(8,075,754)	(8,075,754)
At 31 December 2023	12,398,264	4,958,627	(15,307,483)	2,049,408
Loss and total comprehensive expense for the financial year	–	–	(1,090,711)	(1,090,711)
At 31 December 2024	**12,398,264**	**4,958,627**	**(16,398,194)**	**958,697**

Note: The Other reserve represents the difference between the nominal value of the shares issued and the net asset value of the subsidiaries of the Company upon the reorganisation in 2017.

34. PRINCIPAL SUBSIDIARIES OF THE COMPANY

The following is a list of the principal subsidiaries at 31 December 2024 and 31 December 2023:

Company name	Country/ place of incorporation/ establishment	Issued and paid-up capital	Principal activities/ place of operation	Equity interest attributable to the Group 2024 %	2023 %
Directly held by the Company					
TOMO Enterprises Limited	BVI	1 Ordinary Share totaling US$1	Investment holding/Singapore	**100**	100
Giant Alliance Investments Holdings Limited	BVI	1 Ordinary Share totaling US$1	Investment holding/Hong Kong	**100**	100
Easy Grand International Holdings Limited	BVI	1 Ordinary Share totaling US$1	Investment holding/Hong Kong	**100**	100
Indirectly held by the Company					
TOMO-CSE Autotrim Pte Ltd	Singapore	200,000 Ordinary Shares totaling $200,000	Engaged in the (i) design manufacture, supply and installation of passenger vehicle leather upholstery; (ii) supply and installation of vehicle electronic accessories; and (iii) supply automotive parts and motor vehicle/Singapore	**100**	100
TOMO Investment Limited	Hong Kong	1 Ordinary Share totaling HK$1	Investment holding/Hong Kong	**100**	100
TOMO-CSE Auto Development Limited	Hong Kong	1 Ordinary Share totaling HK$1	Vehicle trading/Hong Kong	**100**	100
Hong Kong Green Financial Services Institute Limited	Hong Kong	100 Ordinary Share totaling HK$100	Provision of professional services/ Hong Kong	**100**	100
TOMO SG Technology PTE Limited (note below)	Singapore	50,000 Ordinary Shares totaling S$50,000	Investing holding/Singapore	**-**	100
TOMO Culture PTE Limited (note below)	Singapore	50,000 Ordinary Shares totaling S$50,000	Investing holding/Singapore	**-**	100
Hongkong Sembo Convergence Technology Company Limited	Hong Kong	100 Ordinary Share totaling HK$100	Provision of professional services/ Hong Kong	**100**	100

None of the subsidiaries had issued any debt securities or any other securities (other than ordinary/registered share capital) during the year and at the end of the year.

34. PRINCIPAL SUBSIDIARIES OF THE COMPANY (CONTINUED)

The above table lists the subsidiaries of the Group which, in the opinion of the directors of the Company, principally affected the results or assets and liabilities of the Group. To give details of other subsidiaries would, in the opinion of the directors of the Company, result in particulars of excessive length.

Note: The entity was deregistered on 8 January 2024.

35. RECLASSIFICATION AND COMPARATIVE FIGURES

During the year, for enhancing the relevance on the presentation of the consolidated financial statements, certain reclassifications have been made to the comparative figures presented in the consolidated financial statements in respect of the prior year to achieve comparability with the current year's presentation. As a result, the following line items regarding comparative figures have been amended and adjusted, together with the related notes to conform to the current year's presentation:

	Previous reported $	**After reclassification** $
Other income	207,268	–
Other gains, net	396,058	–
Other income, gains and losses, net	–	603,326

36. APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the board of directors on 28 March 2025.

FIVE YEARS FINANCIAL SUMMARY

RESULTS

	For the financial year ended 31 December				
	2020 $'000	2021 $'000	2022 $'000	2023 $'000	**2024** **$'000**
Revenue	6,185	9,710	16,340	9,071	**2,831**
Profit/(loss) before income tax	273	89	(2,055)	(10,410)	**(2,630)**
Income tax (expense)/credit	(100)	29	185	(172)	**–**
Profit/(loss) attributable to the owners of the Company for the financial year	173	118	(1,870)	(10,582)	**(2,630)**
Total comprehensive income/(expense) attributable to the owners of the Company for the financial year	173	118	(1,870)	(10,582)	**(2,630)**

ASSETS AND LIABILITIES

	As at 31 December				
	2020 $'000	2021 $'000	2022 $'000	2023 $'000	**2024** **$'000**
Total assets	26,811	26,338	24,977	14,638	**11,210**
Total liabilities	1,229	638	1,146	1,389	**592**
Net assets	25,582	25,700	23,831	13,249	**10,618**
Equity attributable to owners of the Company for the financial year	25,582	25,700	23,831	13,249	**10,618**

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